Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.730

Agenda No. 10.A

Approved: NOV 09 2016

TITLE:

RESOLUTION AUTHORIZING CY 2016 APPROPRIATION TRANSFERS

COUNCIL **offered and moved adoption of the following resolution:**

RESOLVED, by the Municipal Council of the City of Jersey City that the Comptroller is hereby authorized to make the following CY 2016 budgetary appropriation transfers in accordance with N.J.S.A. 40A:4-58, two thirds of the full membership of the Municipal Council concurring:

Description	Account	From:	To:
DPW DIRECTOR	01-201-26-290 O/E	$ (360,000.00)	
GASOLINE - ALL DEPTS	01-201-31-434 O/E	$ (250,000.00)	
MUNICIPAL RENT	01-201-31-432 O/E	$ (194,751.00)	
MUNICIPAL COURT	01-201-43-490 S/W	$ (70,000.00)	
MUNICIPAL COURT	01-201-43-490 O/E		$ 70,000.00
CONTRIB PUB EMPL RETIRE	01-201-36-472 O/E		$ 25,000.00
PENSIONED EMPLOYEES - OE	01-201-36-476 O/E		$ 25,000.00
PRIOR YEAR BILLS	01-201-30-471 O/E		$ 4,751.00
BLDG & STREET MAINT.	01-201-26-291 O/E		$ 200,000.00
AUTOMOTIVE SERVICES	01-201-26-315 O/E		$ 300,000.00
OFFICE SERVICES	01-201-31-433 O/E		$ 250,000.00
	TOTAL	**$ (874,751.00)**	**$ 874,751.00**

APPROVED: ____________________

APPROVED: ____________________
Business Administrator

APPROVED AS TO LEGAL FORM
____
Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

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Rolando R. Lavarro, Jr., President of Council

____
Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

RESOLUTION AUTHORIZING CY 2016 APPROPRIATION TRANSFERS

Initiator

Department/Division	Administration	Management & Budget
Name/Title	John Metro	
Phone/email	X5042	jmetro@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This Resolution is to authorize the Comptroller to make the following CY 2016 budgetary appropriation transfers.

I certify that all the facts presented herein are accurate.

J Metro

Signature of Department Director

10/31/2016

Date

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.731

Agenda No. 10.B

Approved: NOV 09 2016

TITLE:

RESOLUTION AUTHORIZING THE INSERTION OF SPECIAL ITEMS OF REVENUES AND APPROPRIATIONS IN THE CY 2016 MUNICIPAL BUDGET, PURSUANT TO N.J.S.A. 40A:4-87.

COUNCIL offered and moved **adoption of the following resolution:**

WHEREAS, N.J.S.A. 40A:4-87 provides that the Director of the Division of Local Government Services may approve the insertion of any special item of revenue in the municipal budget when such item has been made available after the adoption of the budget, and

WHEREAS, said Director may also approve the insertion of an item of appropriation for equal amount,

NOW THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Jersey City, that the City requests the Director of the Division of Local Government Services to approve the insertion of the following items of revenue in the CY 2016 Municipal Budget:

	FROM	TO
Body Armor Replacement Fund	$0.00	$69,952.00
Bulletproof Vest Partnership	$0.00	$120.00
HCOS –Free Public Library	$0.00	$392,000.00

BE IT FURTHER RESOLVED that a like sum be approved to be appropriated in same budget:

	FROM	TO
Body Armor Replacement Fund	$0.00	$69,952.00
Bulletproof Vest Partnership	$0.00	$120.00
HCOS –Free Public Library	$0.00	$392,000.00

BE IT FURTHER RESOLVED that notification of these budget changes will be made by the Chief Financial Officer to the Director of the Division of Local Government Services through the electronic submission process.

APPROVED: ______________________

APPROVED: ______________________
Business Administrator

APPROVED AS TO LEGAL FORM

____
Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

____
Rolando R. Lavarro, Jr., President of Council

____
Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

RESOLUTION AUTHORIZING THE INSERTION OF SPECIAL ITEMS OF REVENUES AND APPROPRIATIONS IN THE CY 2016 MUNICIPAL BUDGET, PURSUANT TO N.J.S.A. 40A:4-87.

Initiator

Department/Division	Administration	Management & Budget
Name/Title	John Metro	
Phone/email	X5042	jmetro@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This Resolution is to approve the insertion of any special item of revenue and appropriation in the municipal budget when such item has been made available after the adoption of the budget. (N.J.S.A. 40A:4-87)

I certify that all the facts presented herein are accurate.

J. Metro

Signature of Department Director

10/31/2016

Date

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.732

Agenda No. 10.C

Approved: NOV 09 2016

TITLE:

RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2015

COUNCIL **offered and moved adoption of the following resolution:**

WHEREAS, N.J.S.A. 40A:5-4 requires the governing body of every local unit to cause an annual audit of its books, accounts and financial transactions to be made and completed within six months after the close of its fiscal year; and

WHEREAS, the audit for calendar year ending December 31, 2015 was presented to the governing body on October 21, 2016; and

WHEREAS, in accordance with OMB Circular A-133, 98-07, and Local Finance Notice CFO 97-16, all government units must prepare and submit a Corrective Action Plan as part of the annual audit process; and

WHEREAS, the Corrective Action Plan shall cover all findings and recommendations, including state, federal, and general or financial statement findings in the audit report; and

WHEREAS, the Chief Financial Officer shall prepare said Corrective Action Plan with the assistance from other officials affected by the audit recommendations; and

WHEREAS, the Corrective Action Plan must be approved by the governing body of the local unit and is to be submitted to the Division of Local Government Services no later than sixty days from the receipt of the audit report; and

NOW, THEREFORE BE IT RESOLVED, by the Municipal Council of the City of Jersey City that the Corrective Action Plan for calendar year ended December 31, 2015 is hereby approved.

BE IT FURTHER RESOLVED, that a copy of the Corrective Action Plan will be placed on file in the Office of the City Clerk.

APPROVED: CFO

APPROVED: Business Administrator

APPROVED AS TO LEGAL FORM

Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

Rolando R. Lavarro, Jr., President of Council

Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

RESOLUTION APPROVING THE CORRECTIVE ACTION PLAN FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2015

Initiator

Department/Division	Administration	Management & Budget
Name/Title	Donna Mauer	
Phone/email	(201) 547-5990	DonnaM@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

In accordance with OMB Circular A-133, 98-07, and Local Finance Notice CFO 97-16, all government units must prepare and submit a Corrective Action Plan as part of the annual audit process.

I certify that all the facts presented herein are accurate.

Donna Mauer — 11/2/16

Signature of Department Director — **Date**

CITY OF JERSEY CITY

HUDSON COUNTY

CORRECTIVE ACTION PLAN

CY 2015 ANNUAL AUDIT

COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Name of Municipality:	CITY OF JERSEY CITY
County:	Hudson
Audit Report Year:	December 31, 2015
Department:	Administration
Division:	Purchasing
Respondent:	Peter Folgado, Purchasing Agent

Finding Number: 2015-005

1. Description:

   Procurement testing indicated four instances of which vendors were paid in excess of the bid threshold without public bidding and for which no exception to the Local Public Contracts Law was noted.

2. Analysis:

   The City should monitor aggregated amounts paid to vendors and publicly advertise for bid when such amounts are expected to reach bid thresholds.

3. Corrective Action:

   Purchasing, Department of Public Works and the Law Department have been working on bid specifications that involve a formula for labor costs. The City will now be soliciting bids for these services.

4. Implementation Date:

   Immediately

Name of Municipality:	CITY OF JERSEY CITY
County:	Hudson
Audit Report Year:	December 31, 2015
Department:	Administration
Division:	Accounts & Controls and Treasury
Respondent:	Tessie Bulalacao, Comptroller and Peter O'Reilly, Treasurer

Finding Number: 2015-006

1. Description:

   Three parking receipts totaling $30,190 could not be traced to bank statement verifying deposit of funds. In accordance with the Requirements of Audit prescribed by the Division of Local Government Services, a Special Confidential Report has been filed. In addition, one Parking Enforcement Division account with a balance of $106,553 was not reconciled in 2015.

2. Analysis:

   The City should immediately investigate the potential shortage of $30, 190 of parking receipts and timely reconcile the Parking Enforcement Division bank account.

3. Corrective Action:

   Finance staff met with and observed the operations of the Division of Parking Enforcement (DPE) regarding internal controls. From this, a decision was made to change armored car services. The lost deposits were reported to the Law Department to handle collection. A cash account was established in the City's FOW System and DPE is required to submit a report of receipts daily.

4. Implementation Date:

   New armored car service already implemented. Reconciliation of the DPE accounts are currently being performed.

Name of Municipality:	CITY OF JERSEY CITY
County:	Hudson
Audit Report Year:	December 31, 2015
Department:	Administration
Division:	Purchasing
Respondent:	Peter Folgado, Purchasing Agent

Finding Number: 2015-007

1. Description:

   Testing indicated 16 instances, of 60 tested, in which 1099s were not filed for vendors which appear to be required. It was further noted the City only files 1099s for vendors which check a box requesting such on the City's "Vendor Information" forms; however, it is the City's responsibility to file in accordance with regulations put forth by the Internal Revenue Service.

2. Analysis:

   The City should make certain 1099 forms are filed as required by Internal Revenue Service regulations.

3. Corrective Action:

   Purchasing will be more attentive to make sure that the W-9's are completed correctly by the vendor so that 1099 forms are filed as required.

4. Implementation Date:

   Immediately

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.733

Agenda No. 10.D

Approved: NOV 09 2016

TITLE:

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE CITY OF JERSEY CITY'S SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A AUTHORIZED BY A BOND ORDINANCE HERETOFORE ADOPTED TO FINANCE LOCAL IMPROVEMENTS IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, AND PROVIDING FOR THE FORM, MATURITY DATES AND OTHER DETAILS OF SAID BONDS.

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, New Jersey (the "City") has adopted the bond ordinance listed on the attached Appendix A (the "Ordinance"), authorizing the issuance of bonds and bond anticipation notes of the City for the purpose of financing the local improvements described in the Ordinance (collectively, the "Project"); and

WHEREAS, the Municipal Council has determined to permanently finance a portion of the costs of the Project by the issuance of $11,821,000 principal amount of Special Assessment Bonds of the City, unless adjusted pursuant to Section 12 hereof, and in the best interests of the City to provide for the sale, form, maturity dates and other matters in connection with the bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, COUNTY OF HUDSON, NEW JERSEY AS FOLLOWS:

SECTION 1. Authority for Resolution. Pursuant to the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Act"), the Municipal Council has previously adopted the Ordinance described in Appendix A, and the Municipal Council has determined to issue at this time, pursuant to said Ordinance, Special Assessment Bonds, Taxable Series 2016A in the aggregate principal amount of $11,821,000 (unless adjusted pursuant to Section 12 hereof) (the "Bonds"), and the Bonds are authorized to be sold in accordance with the terms of this Resolution.

The average period of usefulness for the Special Assessments financed by the Bonds is 20 years.

SECTION 2. Authorization of Bonds. In accordance with the Act, and for the purpose of raising funds to finance the purposes set forth in the Ordinance, there shall be issued bonds of the City in the aggregate principal amount of $11,821,000, unless adjusted pursuant to Section 12 hereof, pursuant to the Ordinance. The Bonds will be sold in accordance with Section 10 hereof at a public sale.

SECTION 3. Details of Bonds. The Bonds will be issued in the form of one certificate for the aggregate principal amount of Bonds maturing in each year and will be payable as to both principal and interest in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), which will act as securities depository. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the bonds on behalf of individual purchasers. Individual purchases may be made in the principal amount of $5,000 or more through book entries made on the books and records of DTC and its participants. The bonds will bear interest payable semiannually at a rate or rates per annum, expressed in a multiple of 1/8 or 1/20 of 1%, as proposed by the successful bidder in accordance with the Notice of Sale authorized herein. The Bonds shall be substantially in the form as provided in this Resolution, with such omissions, insertions and variations as are properly required. Said bonds shall be dated the date of delivery, shall bear interest at the rate or rates specified by the successful bidder therefor in accordance with the Notice of Sale hereinafter provided for, said interest to be payable on June 1 and December 1, commencing on June 1, 2017, and shall mature (unless adjusted by the Chief Financial Officer pursuant to Section 12 hereof, or aggregated into term bonds pursuant to Section 15 hereof) on December 1 in the following years and amounts:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
2017	$595,000	2027	$595,000
2018	595,000	2028	595,000
2019	595,000	2029	595,000
2020	595,000	2030	595,000
2021	595,000	2031	595,000
2022	595,000	2032	595,000
2023	595,000	2033	595,000
2024	595,000	2034	595,000
2025	595,000	2035	595,000
2026	595,000	2036	516,000

SECTION 4. Certificated Bonds; Successor Securities Depository. In the event the City determines that it is in the best interests of the beneficial owners of the Bonds (the actual purchasers of the bonds) that they be able to obtain certificated bonds, the City may notify DTC of the availability of bond certificates. In such event, the City will appoint a paying agent and the City will issue, transfer and exchange bond certificates as required by DTC and others in appropriate amounts. DTC may determine to discontinue providing its services with respect to the bonds at any time by giving a reasonable amount of notice in writing to the City and discharging its responsibilities with respect thereto. In the event of such determination, if the City fails to identify another qualified securities depository as successor to DTC, the City will appoint a paying agent and the City will issue and deliver replacement bonds in the form of fully registered certificates. Whenever DTC requests the City to do so, the City will cooperate with DTC in taking appropriate action (a) to make available one or more separate certificates evidencing the bonds to any participant of DTC having bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the bonds.

SECTION 5. Redemption. (A) The Bonds maturing prior to December 1, 2027 are not subject to redemption prior to maturity.

(B) The Bonds maturing on or after December 1, 2027 are subject to redemption, at the option of the City prior to maturity and upon notice as hereinafter provided, at any time on or after December 1, 2026, in whole or in part from such maturities as the City shall determine and by lot within a single maturity, at the respective redemption price of 100% of the principal amount to be redeemed together with unpaid interest accrued to the redemption date.

(C) In the event the winning bidder elects to aggregate consecutive principal maturities of the bonds into one or more term bonds pursuant to Section 15 hereof, then each such term bond shall mature on the final maturity date of such consecutive maturities in an aggregate principal amount equal to the sum of the principal amounts of such consecutive maturities. Each such term bond shall be subject to mandatory sinking fund redemption prior to maturity, in part, on the dates and in the amounts that would have been consecutive serial maturities had no term bond designation been made (other than the final such maturity, which shall be the maturity date of such term bond), at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

(D) When any Bonds are to be redeemed, the City shall give or shall arrange to be
TITLE given notice of the redemption of bonds. Such notice shall specify the maturities of the bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the bonds of any maturity are to be redeemed, the letters and the numbers or other distinguishing marks of such bonds so to be redeemed, and, in the case of a bond to be redeemed in part only, such notice shall also specify the portion of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each bond to be redeemed the principal amount of such bond plus the applicable premium, if any, payable upon the redemption thereof, or the specified portion of the principal thereof in the case of a bond to be redeemed in part only, together with interest accrued to such date, and that from and after such date interest thereon shall cease to accrue and be payable. The City shall mail or cause to be mailed a copy of such notice postage prepaid, not less than thirty (30) days, nor more than sixty (60) days prior to the date fixed for redemption, to the registered owner of any bond all or a portion of which is to be redeemed, at his last address, if any, appearing upon the registry books kept by or on behalf of the City. For so long as the book-entry only form remains in effect and the bonds are registered in the name of DTC, or its nominee, the City will not be responsible for mailing of notices of redemption to anyone other than DTC, and the City shall comply with such additional or supplemental requirements as may be imposed by DTC in connection with any redemption of bonds whether such additional or supplemental requirements are specified in the Letter of Representations by and between the City and DTC or otherwise.

(E) Notice having been given in the manner provided above, the bonds or the portions thereof called for redemption and specified in such notice shall become due and payable on the redemption date specified in such notice at the principal amount thereof plus the premium, if any, applicable on such date, plus unpaid interest on such bonds or portions thereof accrued to such date. Upon presentation and surrender thereof at the place or the places specified in such notice, such bonds or portions thereof shall be paid at the principal amount thereof plus the applicable premium, if any, plus unpaid interest on such bonds or portion thereof accrued to such date. If there shall be so called for redemption less than all of a bond, the City shall execute and cause to be delivered, upon the surrender of such bond, without charge to the registered owner thereof, for the unredeemed balance of the principal amount of the bond so surrendered, registered bonds of like designation, interest rate and maturity in any of the authorized denominations. If on such redemption date moneys for the redemption of all the bonds or the portion thereof of any like maturity to be redeemed, together with interest thereon accrued and unpaid to such date, shall be held on behalf of the City so as to be available therefor on such date and if notice of redemption thereof shall have been published as aforesaid, then from and after such redemption date, interest on the bonds or the portions thereof of such maturity so called for redemption shall cease to accrue and to become payable. All moneys held on behalf of the City for the redemption of particular bonds shall be held in trust for the account of the owners of the bonds so to be redeemed.

SECTION 6. <u>Payment of Bonds</u>. The principal of and the interest on the bonds will be paid to DTC by or on behalf of the City on their respective due dates. Interest on the bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding May 15 and November 15 (the "Record Dates" for the payment of interest on the bonds).

SECTION 7. <u>Execution of Bonds</u>. Said Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Chief Financial Officer and the seal of the City shall be affixed, imprinted, engraved or reproduced thereon and attested by the manual signature of the City Clerk. If any officer whose signature appears on the bonds ceases to hold office before the delivery of the bonds, his/her signature shall nevertheless be valid and sufficient for all purposes. In addition, any bond may bear the signature of, or may be signed by, such persons as at the actual time of the signing of such bond shall be the proper officers to sign such bond although at the date of such bond such persons may not have been such officers.

SECTION 8. Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any
TITLE: bond shall become mutilated or destroyed, stolen or lost the City shall execute and deliver a new bond of like tenor and amount as the bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond and upon surrender of such mutilated bond, or in lieu of and substitution for the bond destroyed, stolen or lost upon filing with the City evidence satisfactory to the City that such bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City with indemnity satisfactory to it and complying with such other reasonable regulations, as the City may prescribe and paying such expenses as the City may incur in connection therewith.

SECTION 9. Form of Bonds. Subject to the provisions of this Resolution, each bond shall be in substantially in the form attached hereto as Appendix B, with such omissions, insertions, endorsements and variations as may be required by the circumstances and be required or permitted by this Resolution or as may be consistent with this Resolution and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto.

SECTION 10. Sale of Bonds.

The Bonds shall be sold pursuant to a Notice of Sale on Thursday, November 17, 2016 until 11:00 a.m., New Jersey time, or at such later date and times as may be established in accordance with Section 13 hereof, by Donna L. Mauer, the City's Chief Financial Officer through the "PARITY Electronic Bid System" (PARITY) in accordance with the terms and conditions set forth in the Notice of Sale authorized herein. Such proposal shall be received and announced at 280 Grove Street, Jersey City, New Jersey 07302, in accordance with the Notice of Sale. The City Clerk is hereby directed to arrange for the publication of the Notice of Sale in *The Jersey Journal*, a newspaper published and circulating in the City, and for the publication of the Notice of Sale (or a summary thereof as provided by law) in *The Bond Buyer*, and/or such other nationally recognized local government bond marketing publication or electronic information service carrying municipal bond notices and devoted primarily to the subject of state and municipal bonds. The Notice of Sale shall be in substantially the form attached hereto as Appendix C. The Summary Notice of Sale containing other terms and provisions of the Bonds and setting forth the conditions of the sale thereof, all of which are hereby approved, shall be substantially in the form attached hereto as Appendix D. The advertisement of said Notice of Sale and Summary Notice of Sale in each such medium shall be published not less than seven (7) days prior to the sale date for the Bonds. The Chief Financial Officer is hereby delegated on behalf of the City the power to accelerate the sale date of the Bonds.

SECTION 11 Delegation of Power to Award and Sell Bonds. The Chief Financial Officer is delegated on behalf of the City the power to award and sell the bonds to the successful bidder. The Chief Financial Officer shall report the results of such sale in writing at the next meeting of the Municipal Council.

SECTION 12. Adjustment to Maturity Schedule. The Chief Financial Officer of the City may, up to 24 hours prior to the date of advertised sale of and within 4 hours after the award of the Bonds, adjust the maturity schedule of the Bonds in increments of $5,000, provided however, that after the award of the Bonds (i) no maturity schedule adjustment shall exceed 10% upward or downward of the principal for any maturity as specified herein (or as adjusted prior to the date of advertised sale) and (ii) the aggregate adjustment to the maturity schedule shall not exceed 10% upward or downward of the aggregate principal amount of bonds as specified herein (or as adjusted prior to the date of advertised sale) and as adjusted will not exceed the amount authorized by the Ordinances. NOTICE OF ANY ADJUSTMENT TO THE MATURITY SCHEDULE OF THE BONDS PRIOR TO THE DATE OF THE ADVERTISED SALE SHALL BE GIVEN BY CAUSING A NOTICE THEREOF TO BE PUBLISHED ON TM3 NEWS SERVICES. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium

TITLE:

or discount, but will not change the per bond underwriter's discount as calculated from the bid and the Initial Public Offering Prices required to be delivered to the City as stated herein. The City shall notify the successful bidder of the final maturity schedule and the resulting adjusted purchase price no later than 5:00 p.m., New Jersey time, on the day of the sale and award of the Bonds. The interest rate or rates specified by the successful bidder for each maturity will not be altered. **The successful bidder may not withdraw its bid as a result of any such adjustment, and shall be bound by the terms thereof.**

SECTION 13. Postponement of Sale. The Chief Financial Officer is hereby delegated the authority (if the Chief Financial Officer deems it to be in the best interests of the City) (i) to postpone from time to time the sale of the Bonds from the date specified in the Notice of Sale (or, in the case of a rescheduled sale, from such rescheduled date), in each case upon not less than 24 hours' notice, and (ii) to reschedule such sale upon not less than 48 hours' notice. Notice of any such postponement and rescheduling shall be given in the manner specified in the Notice of Sale. In the event of any such postponement and rescheduling, the Chief Financial Officer may (and shall, if required by the Local Bond Law) cause a revised Notice of Sale and/or a revised summary thereof to be prepared and published.

SECTION 14. Agreements with The Depository Trust Company. The Chief Financial Officer is hereby authorized to make representations and warranties, to enter into agreements and to make all arrangements with DTC, as may be necessary in order to provide that this issue of the City's bonds will be eligible for deposit with DTC, and to satisfy any obligations undertaken in connection therewith.

SECTION 15. Term Bond Option. As provided in the Notice of Sale, a bidder may aggregate consecutive principal maturities of the Bonds for which such bidder bids the same interest rate, into term bonds. Each such term bond shall mature on the final maturity date of such consecutive maturities in an aggregate principal amount equal to the sum of the principal amounts of such consecutive maturities. Each such term bond shall be subject to mandatory sinking fund redemption prior to maturity, in part, on the dates and in the amounts that would have been consecutive serial maturities had no term bond designation been made (other than the final such maturity, which shall be the maturity date of such term bond), at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

SECTION 16. Authorization for Official Statement. The Chief Financial Officer, the Business Administrator, the City Clerk, auditor, bond counsel and other officers, agents and employees of the City are authorized to prepare and distribute information with respect to the City in connection with the sale of the bonds in such form as may be approved by the Chief Financial Officer. The preparation and distribution of a Preliminary Official Statement pertaining to the bonds is hereby authorized. The Chief Financial Officer is hereby authorized to deem final the Preliminary Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Business Administrator and the Chief Financial Officer are hereby authorized and directed to execute a final official statement relating to the bonds, with such changes, revisions, insertions and omissions from the Preliminary Official Statement as may be approved by the Chief Financial Officer.

SECTION 17. Pledge of City. The full faith and credit of the City of Jersey City, in the County of Hudson in the State of New Jersey is hereby pledged for the payment of the principal of and interest on said bonds and said bonds shall be general obligations of the City payable as to principal and interest from *ad valorem* taxes which may be assessed on the taxable property within said City without limitation as to rate or amount.

SECTION 18. Appointment of Paying Agent and Bond Registrar. The Business Administrator and/or the Chief Financial Officer are hereby delegated the authority to appoint any bank, trust company or national banking association having the power to accept and administer trusts to serve as Paying Agent and Bond Registrar for the Bonds. The Paying Agent and Bond Registrar shall signify its acceptance of the duties imposed upon it by this Resolution

TITLE:

by a written certificate delivered to the City prior to the delivery of the Bonds.

SECTION 19. Bonds Not Federally Guaranteed. The City covenants that it will take no action which would cause the Bonds to be federally guaranteed (within the meaning of Section 149(b) of the Internal Revenue Code of 1986, as amended.).

SECTION 20. Continuing Disclosure. A Continuing Disclosure Certificate in substantially the form attached as Appendix E is hereby approved, and the Chief Financial Officer is hereby authorized and directed to execute and deliver a Continuing Disclosure Certificate on behalf of the City in substantially such form, with such insertions and changes therein as the Chief Financial Officer may approve, such approval to be evidenced by his/her execution thereof:

SECTION 21. Defeasance.(A) If the City shall pay or shall cause to be paid or if there shall be paid otherwise to the owner of all bonds the principal and the redemption premium, if applicable, and the interest due or to become due thereon at the times and in the manner stipulated therein and in this Resolution, then, at the option of the City, the pledge of the City contained herein and all covenants, agreements and other obligations of the City to the owners of the bonds thereupon shall cease, shall terminate, shall become void and shall be discharged and satisfied. In such event and upon the request of the City, any paying agent shall pay over or shall deliver to the City all moneys, funds or securities held by them pursuant to this Resolution that are not required for the payment of the principal of or premium and interest due or to become due on the bonds. If the City shall pay or shall cause to be paid or if there shall be paid otherwise to the owners of all outstanding bonds of a particular maturity the principal of and the redemption premium, if any, and interest due or to become due thereon, at the time and in the manner stipulated therein and in this Resolution, such bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and all covenants, agreements and obligations of the City to the owners of such bonds shall thereupon cease, shall terminate and shall become void and be discharged and satisfied.

(B) Bonds or interest installments for the payment or the redemption of which moneys shall have been deposited with any bank, trust company or national banking association serving as escrow agent (the "Escrow Agent") by or on behalf of the City whether at or prior to the maturity or the redemption date of such bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section. All outstanding bonds or any maturity of the bonds shall be deemed to have been paid within the meaning and with the effect expressed in subsection (A) of this Section if (1) in case any of such bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Escrow Agent irrevocable instruction to publish notice of redemption of such bonds on such date, (2) there shall have been deposited with the Escrow Agent either moneys in an amount that shall be sufficient or direct obligations of the United States of America or securities unconditionally guaranteed as to the timely payment by the United States of America not redeemable at the option of the issuer the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient, to pay when due the principal and any redemption premium and the interest due and to become due on such bonds on and prior to the redemption date or the maturity date thereof, as the case may be, and (3) in the event such bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the City shall have given the Escrow Agent in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in a publication devoted primarily to financial news or the subject of state and municipal bonds and published in the City of New York or in New Jersey a notice to the owners of such bonds that the deposit required by clause (2) above has been made with the Escrow Agent and that such bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for payment of the principal of and the redemption premium, if any, on such bonds. For so long as the book-entry only form remains in effect and the bonds are registered in the name of DTC or its nominee, the City shall comply with such additional or supplemental requirements as may be

Continuation of Resolution ______ Pg. # 7

City Clerk File No. Res. 16.733

Agenda No. 10.D NOV 09 2016

TITLE:

imposed by DTC in connection with any advance refunding of the bonds whether such additional or supplemental requirements are specified in the Letter of Representations by and between the City and DTC or otherwise.

SECTION 22. Effective Date. This Resolution shall take effect upon adoption hereof.

APPROVED: ______

APPROVED: ______
Business Administrator

APPROVED AS TO LEGAL FORM

______
Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

Rolando R. Lavarro, Jr., President of Council

Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE CITY OF JERSEY CITY'S SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A AUTHORIZED BY A BOND ORDINANCE HERETOFORE ADOPTED TO FINANCE LOCAL IMPROVEMENTS IN THE CITY OF JERSEY CITY, COUNTY OF HUDSON, AND PROVIDING FOR THE FORM, MATURITY DATES AND OTHER DETAILS OF SAID BONDS.

Initiator

Department/Division	Administration	Management & Budget
Name/Title	Donna Mauer	Chief Financial Officer
Phone/email	201-547-5042	DonnaM@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This resolution allows the CFO to sell special assessment bonds on behalf of the City and also specifies the form of these bonds. The bonds are for the local improvements made to Greene Street as authorized in Ordinance 01-057.

I certify that all the facts presented herein are accurate.

Donna Mauer | 11/1/16

Signature of Department Director | **Date**

APPENDIX A

CITY OF JERSEY CITY, COUNTY OF HUDSON
Special Assessment Bonds, Taxable Series 2016A

Ord. Number	Date Adopted	Purpose	Amount of Bonds Authorized	Period of Usefulness	Bonds to be Issued
01-057	06/13/01	Special assessment improvements	$17,000,000	20	$11,821,000
		TOTALS	$17,000,000		$11,821,000

APPENDIX B

BOND FORM

No. R -___ $_____

United States of America
State of New Jersey
CITY OF JERSEY CITY, COUNTY OF HUDSON
Special Assessment Bond, Taxable Series 2016A

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, ____	_____%	December 8, 2016	
Registered Owner:	CEDE & CO.		
Principal Sum:	____________________ DOLLARS		

The CITY OF JERSEY CITY, COUNTY OF HUDSON (hereinafter referred to as the "City"), a political subdivision of the State of New Jersey, for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Sum stated above on the Maturity Date specified above, and to pay interest on such Principal Sum from the Dated Date specified above at the Interest Rate per annum specified above, computed upon the basis of a 360 day year consisting of twelve 30 day months and payable on June 1, 2017, and semi-annually thereafter on the first day of December and June in each year until the City's obligation with respect to the payment of such Principal Sum shall be discharged, but only in the case of interest due at or before maturity of this bond. The principal of and the interest on this bond will be paid to Cede & Co., as nominee of The Depository Trust Company ("DTC"). Interest on this bond will be credited to the participants of DTC listed on the records of DTC as of each next preceding November 15 and May 15 (the "Record Dates" for the payment of interest on the bonds).

This bond is not transferrable as to principal or interest except to an authorized nominee of DTC. DTC shall be responsible for maintaining the book-entry system for recording the interests of its participants or the transfers of the interests among its participants. The participants are responsible for maintaining records regarding the beneficial ownership interests in the bonds on behalf of individual purchasers.

This bond is one of a duly authorized issue of bonds of the City of like date and tenor, except as to number, denomination, interest rate, CUSIP number and maturity date, issued in the aggregate principal amount of $__________ under and pursuant to the Local Bond Law of the State of New Jersey and by virtue of a resolution adopted by the City's governing body on ___________, 2016 (the "Resolution"), and by virtue of the bond ordinance referred to therein in all respects duly approved and published as required by law.

Except as set forth below, the Bonds maturing prior to December 1, 2027 are not subject to redemption prior to maturity. The bonds maturing on or after December 1, 2027 are subject to redemption, at the option of the City, prior to maturity and upon notice as hereinafter and in the Resolution set forth, at any time on or after December 1, 2026, in whole or in part from such maturities as the City shall determine and by lot within a single maturity, at the respective redemption price of 100% of at the principal amount to be redeemed together with unpaid interest accrued to the redemption date.

[The bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in part, on December 1 of the years and in the principal amounts specified below, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption:

Year	Principal Amount
*	

* Final Maturity.]

Notice of redemption shall be given by mailing, at least once not less than thirty (30) days or more than sixty (60) days prior to the redemption date, to the registered owner of this bond, at his last address, if any, appearing upon the registry books kept by or on behalf of the City, all in the manner and upon the terms and the conditions set forth in the Resolution. If notice of redemption shall have been given as aforesaid, the bonds or the portions thereof specified in such notice shall become due and payable on the redemption date therein designated at the principal amount thereof plus the premium, if any, applicable on such date, plus unpaid interest accrued to such date. If moneys for payment of the principal amount plus premium, if any, of all the bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on the redemption date, then from and after the redemption date interest on such bonds shall cease to accrue and to become payable to the holders entitled to payment thereof on such redemption date. For so long as the book-entry only form remains in effect and the bonds are registered in the name of DTC or its nominee, the City will not be responsible for mailing of notices of redemption to anyone other than DTC, and the City shall comply with such additional or supplemental requirements as may be imposed by DTC in connection with any redemption of bonds whether such additional or supplemental requirements are specified in the Letter of Representations by and between the City and DTC or otherwise.

The full faith and credit of the City are hereby pledged for the punctual payment of the principal of and interest on this bond according to its terms.

In the event the City determines that it is in the best interests of the beneficial owners of the bonds (the actual purchasers of the bonds) that they be able to obtain certificated bonds, the City may notify DTC of the availability of bond certificates. In such event, the City will appoint a paying agent and the City will issue, transfer and exchange bond certificates as required by DTC and others in appropriate amounts. DTC may determine to discontinue providing its services with respect to the bonds at any time by giving a reasonable amount of notice in writing to the City and discharging its responsibilities with respect thereto. In the event of such determination, if the City fails to identify another qualified securities depository as successor to DTC, the City will appoint a paying agent and the City will issue and deliver replacement bonds in the form of fully registered certificates. Whenever DTC requests the City to do so, the City will cooperate with DTC in taking appropriate action (a) to make available one or more separate certificates evidencing the bonds to any participant of DTC having bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the bonds.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and statutes of the State of New Jersey to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed and that the amount and terms of this bond do not exceed any limitation imposed thereon by said Constitution or statutes.

IN WITNESS WHEREOF, the CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, has caused this bond to be signed by the manual or facsimile signature of its Mayor and its Chief Financial Officer and its corporate seal or a facsimile thereof, to be hereunto affixed and duly attested by the manual signature of the City Clerk, all as of the __ day of ____________, 2016.

ATTEST:

(SEAL)

____
Mayor

____
Chief Financial Officer

____
City Clerk

APPENDIX C

NOTICE OF SALE

$11,821,000*
CITY OF JERSEY CITY, NEW JERSEY
SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A
(BOOK-ENTRY ONLY ISSUE) (CALLABLE)

ELECTRONIC PROPOSALS will be received and announced by Donna L. Mauer, Chief Financial Officer of the City of Jersey City, in the County of Hudson (the "City"), at 280 Grove Street, Jersey City, New Jersey 07302, through the PARITY Electronic Bid System ("PARITY") of IPREO LLC, as described herein, for the purchase of $11,821,000* original principal amount of the City's Special Assessment Bonds, Taxable Series 2016A (the "Bonds"). The Bonds shall mature (unless adjusted by the Chief Financial Officer as described herein, or aggregated into term bonds as described herein) on December 1 in the following years and amounts:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
2017	$595,000	2027	$595,000
2018	595,000	2028	595,000
2019	595,000	2029	595,000
2020	595,000	2030	595,000
2021	595,000	2031	595,000
2022	595,000	2032	595,000
2023	595,000	2033	595,000
2024	595,000	2034	595,000
2025	595,000	2035	595,000
2026	595,000	2036	516,000

All Bids (as defined below) must be submitted in their entirety through PARITY until 11:00 a.m., New Jersey time on Thursday, November 17, 2016 (see "Bidding Details"). To bid, Bidders (as defined below) must submit either (i) a certified, treasurer's or cashier's check or (ii) complete a wire transfer, in either case in the amount of $236,420 (the check or wire transfer being hereinafter referred to as the "Deposit"), to secure the City from any loss resulting from a failure of the bidder to comply with the terms of its bid. The Deposit must be submitted to the City prior to the time for submission of bids, and if in the form of a certified, treasurer's or cashier's check, at the following address:

* Subject to adjustment as provided herein.

City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302

If a wire transfer is used for the Deposit, wire instructions can be obtained by contacting Donna L. Mauer at 201-547-5042 or email at DonnaM@jcnj.org or Tim Eismeier of NW Financial Group, LLC at 201-656-0115 or email at teismeier@nwfinancial.com and such wire must received any confirmed by the City prior to the time for bids to be submitted.

The use of PARITY shall be at the Bidder's risk and expense, and the City shall have no liability with respect thereto.

If a check is used, it must be a certified, treasurer's or cashier's check payable to the City and such check (together with a name and return address) should be sent to Donna L. Mauer, Chief Financial Officer, City of Jersey City, 280 Grove Street, Jersey City, New Jersey 07302. Checks of unsuccessful bidders will be returned upon the award of the Bonds. Any bidder that does not have a representative present at the bid announcement is requested to include with its good faith deposit overnight packaging or other return envelope for the return of its Deposit (if not the successful bidder). In the absence of other arrangements, the check of any unsuccessful bidder will be returned by certified first class mail to such name and return address as specified by such bidder when such Deposit was provided. By submitting a proposal for the Bonds, each bidder shall be deemed to have accepted any and all risks of loss associated with the return of its Deposit. Upon return of its Deposit, each such unsuccessful bidder shall acknowledge same by signing and returning a receipt to such effect provided by the City. If a wire transfer is used, such transfer must be completed and confirmed received by the City prior to the opening of the bids.

The Deposit of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to comply with the terms of its accepted bid, the Deposit will be retained by the City as liquidated damages. The winning bidder shall not be entitled to any interest earnings in respect of the City.

The Bonds are to be issued in book-entry only form and all bidders for the Bonds must be participants of The Depository Trust Company, New York, New York, or affiliated with its participants. The Bonds will be issued in the form of one certificate for the aggregate principal amount of each maturity and will be payable as to both principal and interest in lawful money of the United States of America. Each certificate will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (collectively, "DTC"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfer of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $5,000 or more thereof through book entries made on the books and records of DTC and its participants.

The Bonds will be dated the date of delivery and will bear interest at the rate or rates of interest per annum specified by the successful bidder therefor in accordance herewith, payable on June 1, 2017 and semiannually thereafter on the first days of December and June in each year until maturity by payment to DTC.

Except as set forth below, the Bonds maturing prior to December 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2027 are subject to redemption, at the option of the City prior to maturity and upon notice as hereinafter provided, at any time on or after December 1, 2026, in whole or in part from such maturities as the City shall determine and by lot within a single maturity, at the respective redemption price of 100% of the principal amount to be redeemed together with unpaid interest accrued to the redemption date.

A bidder may aggregate consecutive principal maturities of the Bonds for which such bidder bids the same interest rate, into term bonds. Each such term bond shall mature on the final maturity date of such consecutive maturities in an aggregate principal amount equal to the sum of the principal amounts of such consecutive maturities. Each such term bond shall be subject to mandatory sinking fund redemption prior to maturity, in part, on the dates and in the amounts that would have been consecutive serial maturities had no term bond designation been made (other than the final such maturity, which shall be the maturity date of such term bond), at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption. Notice of redemption shall be given as provided in the resolution of the City authorizing the Bonds.

For so long as the book-entry form remains in effect and the Bonds are registered in the name of DTC, the City will not be responsible for mailing of notices of redemption to anyone other than DTC.

The Bonds are general obligations of the City and, unless paid from other sources, the City is authorized and required by law to levy *ad valorem* taxes upon all real property taxable by the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

Each proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds, and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for the Bonds of the same maturity. There is no limitation on the number of rates that may be named. The difference between the lowest and the highest rates named in the proposal for the Bonds shall not exceed three per centum (3.00%). Each proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than $11,821,000 nor more than $13,003,100. The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost. Such true interest cost shall be computed by determining the interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds and to the price bid, excluding interest accrued to the delivery date. No proposal shall be considered that offers to pay an amount less than the principal amount of the Bonds offered for sale or under which the total loan is made at a true interest cost higher than the lowest true interest cost to the City under any legally acceptable proposal, and if two or more such bidders offer to pay the lowest true interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The right is reserved to reject any and all bids and to the extent permitted by law to waive any irregularity or informality in any bid.

It is requested that each proposal be accompanied by a computation of the true interest cost to the City under the terms of the proposal in accordance with the method of calculation described in the preceding paragraph (computed to six decimal places), but such computation is not to be considered as part of the proposal for the Bonds.

The City reserves the right to postpone, upon not less than 24 hours' notice, the date and time established for receipt of Bids. **ANY SUCH POSTPONEMENT WILL BE PUBLISHED ON TM3 NEWS SERVICES, BEFORE 4:00 P.M. ON THE DAY BEFORE THE SALE.** If any date fixed for the receipt of Bids and the sale of the Bonds is postponed, an alternative sale date will be announced through TM3 New Services at least forty-eight (48) hours prior to such alternative sale date. On any such alternative sale date, any Bidder may submit a Bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date of sale and except for the changes announced on www.i-dealprospectus.com at the time the sale date and time are announced..

Within 30 minutes of the award of the bonds, the City must receive from the successful bidder an email or telecopy (an "Initial Public Offering Price Telecopy") stating the prices at which such successful bidder intends that each stated maturity of the bonds shall initially be offered to the public, which for this purpose excludes bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers (the "Initial Public Offering Prices"). The successful bidder shall make a bona fide initial public offering of the bonds at the Initial Public Offering Prices stated in their Initial Public Offering Price Telecopy.

The Chief Financial Officer of the City may, up to 24 hours prior to the date of advertised sale of and within 4 hours after the award of the Bonds, adjust the maturity schedule of the Bonds in increments of $5,000, provided however, that after the award of the Bonds (i) no maturity schedule adjustment shall exceed 10% upward or downward of the principal for any maturity as specified herein (or as adjusted prior to the date of advertised sale) and (ii) the aggregate adjustment to the maturity schedule shall not exceed 10% upward or downward of the aggregate principal amount of bonds as specified herein (or as adjusted prior to the date of advertised sale) and as adjusted will not exceed the amount authorized by the Ordinances. NOTICE OF ANY ADJUSTMENT TO THE MATURITY SCHEDULE OF THE BONDS PRIOR TO THE DATE OF THE ADVERTISED SALE SHALL BE GIVEN BY CAUSING A NOTICE THEREOF TO BE PUBLISHED ON TM3 NEWS SERVICES. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the aggregate principal amount of bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and the Initial Public Offering Prices required to be delivered to the City as stated herein. The City shall notify the successful bidder of the final maturity schedule and the resulting adjusted purchase price no later than 5:00 p.m., New Jersey time, on the day of the sale and award of the Bonds. The interest rate or rates specified by the successful bidder for each maturity will not be altered.

The successful bidder must submit to the City a certificates with respect to the Bonds (a "Reoffering Price Certificate"), satisfactory to Bond Counsel, prior to the delivery of the Bonds, which states that:

(a)(i) on the date of award, such successful bidder made a *bona fide* public offering of all Bonds of all maturities at initial offering prices corresponding to the prices or yields indicated in the information furnished in connection with the successful bid, and (ii) as of such date, the first price or yield at which an amount equal to at least ten percent of each maturity of the City was sold to the public was, respectively, a price not higher or a yield not lower than indicated in the information furnished with the successful bid (the "first price rule"), with the exception of those maturities, if any, identified in such certificate, as to which such certificate shall explain the reasons the first price rule was not satisfied, and (iii) as of such date, the successful bidder reasonably expected that each of the Bonds would be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) as prices not higher or yields lower than indicated in the information furnished with the successful bid, and such prices and yields, maturity-by-maturity, represented the successful bidder's best judgment of the fair market value of the Bonds, OR

(b) such successful bidder has purchased the Bonds for its own account and not with a view to distribution or resale and not in the capacity of a bond house, broker or other intermediary, and the price or prices at which such purchase was made.

For the purposes of the Reoffering Price Certificate, the "public" does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers or any person that the purchaser reasonably believes to be purchasing as intermediate purchasers with an intent to sell in the short term.. In making such representations, the successful bidder must reflect the effect on the offering prices of any "derivative products" (*e.g.,* a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

It is expected that the Bonds will be delivered to the successful bidder on or about December 8, 2016 at the Trenton, New Jersey offices of GluckWalrath LLP or at such other time or place mutually agreed upon by the purchaser and the City. **AT THE TIME OF DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL PROVIDE FOR THE PAYMENT FOR THE BONDS THROUGH THE USE OF IMMEDIATELY AVAILABLE FUNDS.** No interest will be paid upon the deposit made by the successful bidder.

Each electronic proposal must be submitted through PARITY. No bidder will see any other bid, nor will any bidder see the status of its bid relative to other bids—i.e., whether its bid is a leading bid. To the extent any instructions or directions set forth on PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may call PARITY at IPREO at (212) 849-5021. The City may, but is not obligated to, acknowledge its acceptance in writing of any bid submitted electronically through PARITY. In the event that a bid for the Bonds is submitted through PARITY, the bidder further agrees that the City may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the Bonds, the term Bonds, if any, specified, the initial public offering price of each maturity of the Bonds and any other information included in such transmission) as though the same information were submitted on the official "Proposal for Bonds" provided by the City and executed by a duly authorized signatory of the bidder. If a bid submitted electronically through PARITY is accepted by the City, the terms of the official "Proposal for Bonds" and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

PARITY is not an agent of the City, and the City shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the City or information provided by the bidder.

The City may choose to discontinue use of electronic bidding through PARITY by issuing a notification to such effect through TM3 News Services, or by other available means, no later than 4:00 p.m., New Jersey Time, on the last business date prior to the bid date.

Once the bids are communicated electronically through PARITY to the City, each bid will constitute an official "Proposal for Bonds" and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all "Proposals for Bonds," whether electronically or sealed, the time as maintained on PARITY shall constitute the official time.

Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor IPREO shall have any duty or obligation to any bidder, or be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The City is using PARITY as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. By using PARITY each bidder agrees to hold the City harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bidders should be aware of the following bidding details ("Bidding Details") associated with the sale of the Bonds:

1. **BIDDERS MUST SUBMIT GOOD FAITH CHECK, WIRE TRANSFER OR A FINANCIAL SURETY BOND (IF AVAILABLE) IN THE AMOUNT OF $236,420 PAYABLE TO THE CITY OF JERSEY CITY NO LATER THAN 11:00 a.m. ON THE DAY OF SALE. HOWEVER, BIDDERS ARE ENCOURAGED TO SUBMIT CHECKS ON THE DAY PRIOR TO THE SALE TO ASSURE RECEIPT OF PAYMENT BY THE CITY AT THE FOLLOWING ADDRESS:**

Donna L. Mauer, Chief Financial Officer
City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302

BIDDERS SUBMITTING GOOD FAITH CHECKS SHOULD ALSO ENCLOSE A RETURN ENVELOPE FOR USE BY THE CITY.

2. All Bids must be submitted through PARITY. No telephone, telefax, telegraph or personal delivery Bids will be accepted.

3. All Bids for the Bonds must be submitted on an "All or None" ("AON") basis.

4 Each proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds, and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for the Bonds of the same maturity. There is no limitation on the number of rates that may be named. The difference between the lowest and the highest rates named in the proposal for the Bonds shall not exceed three per centum (3.00%). Each proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than $11,821,000 nor more than $13,003,100. The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost (as such term is defined herein). No proposal shall be considered that offers to pay an amount less than the principal amount of the Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest true interest cost to the City under any legally acceptable proposal.

5. Bidders are only permitted to submit Bids for the Bonds during the bidding period.

Definitions

"Bid" any confirmed purchase offer received by PARITY on or before the proposal submission deadline.

"Bidder" any firm registered and approved for participation in sale.

"Winning Bid" any purchase offer made by a Bidder and received by PARITY that, at the end of the bidding time period, results in the lowest True Interest Cost that is acceptable to the City.

"True Interest Cost" or "TIC"computed by determining the interest rate, compounded semi-annually, necessary to discount the debt service payments to the date of the bonds and to the price bid, excluding interest accrued to the delivery. The True Interest Cost serves as the basis for awarding bonds to winning Bidders.

The successful bidder may, at its option, refuse to accept the Bonds if prior to their delivery any income tax law of the United States of America shall provide that the interest thereon is includable in gross income for federal income tax purposes, or shall be so includable at a future date. In such case the deposit made by the bidder shall be returned and it will be relieved of its contractual obligations arising from the acceptance of its proposal.

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of a bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Bonds.

The City reserves the right to reject any and all Bids and to the extent permitted by law to waive any irregularity or informality in any Bid.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

The purchaser shall be obligated to furnish to the City, when and if requested prior to the delivery of the Bonds, such information requested by the City as shall be necessary to enable the City to determine the "issue price" of the Bonds as defined in Section 1273 and 1274 of the Internal Revenue Code of 1986, as amended (the "Code").

A Preliminary Official Statement has been prepared and is available for viewing in electronic format on www.i-dealprospectus.com and may also be obtained from the City's financial advisor identified in the last paragraph of this Notice. The Preliminary Official Statement is deemed to be a final official statement, as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, but is subject to (a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds and (b) amendment. The Preliminary Official Statement, as so revised, will constitute the final "Official Statement". By the submission of a bid for the Bonds, the successful bidder contracts for the receipt, within seven (7) business days of the award of the Bonds, of two hundred (200) copies of the final Official Statement at the expense of the City, with any additional copies of the final Official Statement that the successful bidder shall reasonably request to be provided at the sole cost and expense of the successful bidder. In order to complete the final Official Statement, the successful bidder must furnish the following information to the City's financial advisor and Bond Counsel by email or facsimile transmission or overnight delivery received by the City's financial advisor and Bond Counsel within twenty-four (24) hours after the award of the Bonds: (a) initial offering prices (expressed as a price, exclusive of accrued interest, or yield per maturity), and (b) any other material information necessary for the final Official Statement but not known to the City (such as the bidder's purchase of credit enhancement). In addition, the successful bidder must, if requested by the City, furnish a written confirmation of its bid.

The City will undertake to provide certain continuing disclosure in accordance with Rule 15c2-12 of the Securities and Exchange Commission. A description of this undertaking is contained in the Preliminary Official Statement under the heading "CONTINUING DISCLOSURE".

The successful bidder will be furnished at the time the Bonds are delivered with: (1) the opinion of GluckWalrath LLP, Trenton, New Jersey, in substantially the form set forth in the Preliminary Official Statement, as applicable to the Bonds; and (2) certificates in form satisfactory to said law firm evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and the fact that the Bonds will not be arbitrage bonds within the meaning of the Code; and (3) a certificate, dated as of the date of delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or to the knowledge of such officers threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the City nor the title of any of said officers to their respective offices, is being contested; and (4) the City's Continuing Disclosure Certificate substantially in the form described in the Preliminary Official Statement.

The successful bidder is advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c.271, s.3) if the successful bidder enters into agreements or contracts, such as its agreement to purchase the Bonds, with a public entity, such as the City and receives compensation or fees in excess of $50,000 in the aggregate from public entities, such as the City, in a calendar year. It is the successful bidder's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Copies of the Preliminary Official Statement may be obtained from the City's financial advisor NW Financial Group, LLC, 2 Hudson Place, Hoboken, NJ 07030, telephone (201) 656-0115, Attention: Tim Eismeier.

DATED: _______, 2016

BY: /s/ Donna L. Mauer
Chief Financial Officer,
City of Jersey City, New Jersey

APPENDIX D

SUMMARY NOTICE OF SALE
CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY

$11,821,000* SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A
(Book-Entry-Only)(Callable)

ELECTRONIC PROPOSALS will be received and announced by the Chief Financial Officer of The City of Jersey City, a municipal corporation of the State of New Jersey located in the County of Hudson, New Jersey (the "City"), at City Hall, 280 Grove Street, Jersey City, New Jersey 07302, through the PARITY Electronic Bid System ("PARITY") of IPREO LLC, as described herein, on Thursday, November 17, 2016 (unless postponed and rescheduled as provided herein) until 11:00 a.m., prevailing local time, in accordance with N.J.S.A. 40A:2-27, for the purchase of $11,821,000* Special Assessment Bonds, Taxable Series 2016A.

The Bonds mature on December 1 in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT	YEAR	PRINCIPAL AMOUNT
2017	$595,000	2027	$595,000
2018	595,000	2028	595,000
2019	595,000	2029	595,000
2020	595,000	2030	595,000
2021	595,000	2031	595,000
2022	595,000	2032	595,000
2023	595,000	2033	595,000
2024	595,000	2034	595,000
2025	595,000	2035	595,000
2026	595,000	2036	516,000

* Subject to adjustment as provided herein.

All bids must be submitted electronically via Parity in accordance with the Notice of Sale. No telephone, fax, mail or personal delivery bids will be accepted. All bidders for the Bonds must be participants of The Depository Trust Company ("DTC"), or affiliated with its participants. Individual purchases may be made in the principal amount of $5,000 or more through book entries made on the books and records of DTC and its participants. The Bonds will be delivered on or about December 8, 2016 at the offices of the City's bond counsel, GluckWalrath LLP, in Trenton, New Jersey.

The Bonds will be dated the date of delivery and will bear interest at the rate or rates of interest per annum, in multiples of 1/8 or 1/20 of 1%, specified by the successful bidder, payable on June 1, 2017 and semiannually thereafter on the first day of December and June in each year until maturity. The Bonds are subject to redemption prior to maturity as more fully described in the Notice of Sale. The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest true interest cost, in accordance with the terms of the sale. A bidder may aggregate consecutive principal maturities of the Bonds, for which such bidder bids the same interest rate, into term bonds, as provided in the Notice of Sale.

Each bidder is required to submit either (i) a certified, treasurer's or cashier's check or (ii) complete a wire transfer, in either case in the amount of $236,420 (the check or financial surety bond or wire transfer being hereinafter referred to as the "Deposit"), to secure the City from any loss resulting from a failure of the bidder to comply with the terms of its bid. The Deposit must be submitted to the City prior to the time for submission of bids, and if in the form of a certified, treasurer's or cashier's check, at the following address: Donna L. Mauer, Chief Financial Officer, City of Jersey City, 280 Grove Street, Jersey City, New Jersey 07302. If a wire transfer is used for the Deposit, . wire instructions can be obtained by contacting Donna L. Mauer at 201-547-5042 or email at DonnaM@jcnj.org or Tim Eismeier of NW Financial Group, LLC at 201-656-0115 or email at teismeier@nwfinancial.com and such wire must received any confirmed by the City prior to the time for bids to be submitted.

A complete Notice of Sale containing the full terms of sale and the Preliminary Official Statement have each been prepared and is available at www.i-dealprospectus.com and may also be obtained from the City's financial advisor, NW Financial Group, LLC, 2 Hudson Place, Hoboken, NJ 07030, telephone (201) 656-0115, Attention: Tim Eismeier.

Dated: ________, 2016

BY: /s/ Donna L. Mauer
Chief Financial Officer
City of Jersey City
County of Hudson, New Jersey

APPENDIX E

Form of Continuing Disclosure Certificate

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Jersey City, in the County of Hudson, New Jersey (the "Issuer") in connection with the issuance by the Issuer of $__________ principal amount of its Special Assessment Bonds, Taxable Series 2016A (the "Bonds"). The Bonds are being issued pursuant to a Bond Ordinance (the "Ordinance") duly adopted by the Municipal Council of the Issuer (the "Council"), and a resolution duly adopted by the Municipal Council on November ___, 2016 (the "Resolution"). The Bonds are dated December 8, 2016 and shall mature on December 1 in the years 2017 through 2036, inclusive. The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bondholder" shall mean any person who is the registered owner of any Bond, including holders of beneficial interests in the Bonds.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the MSRB pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access System ("EMMA"), an internet based filing system created and maintained by the MSRB in accordance with the SEC Release, pursuant to which issuers of tax-exempt bonds, including the Bonds, and other filers on behalf of the such issuers shall upload Continuing Disclosure Information to assist underwriters in complying with the Rule and to provide the general public with access to such Continuing Disclosure Information.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of New Jersey.

Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of its fiscal year, commencing with the report for the fiscal year ending December 30, 2016, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the SEC.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for making available or providing the Annual Report, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for making available or providing the Annual Report the name and address of each Repository, if any; and

(ii) if applicable, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting standards (GAAS) as from time to time in effect, and as prescribed by the Division of Local Government Services in the Department of Community Affairs of the State pursuant to Chapter 5 of Title 40A of the New Jersey Statutes. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. The financial information and operating data set forth in the Official Statement (including Appendix A thereto) dated ________, 2016, prepared in connection with the sale of the Bonds under the following captions under the heading in the body of the Official Statement: "RECENT FINANCIAL RESULTS AND FINANCIAL OUTLOOK", and in Appendix A thereto under the following headings and captions, "CITY INDEBTEDNESS AND DEBT LIMITS – Debt Statements" (excluding the first four paragraphs thereunder), "CITY INDEBTEDNESS AND DEBT LIMITS – Other City-Related Obligations", "CITY INDEBTEDNESS AND DEBT LIMITS – Municipal Qualified Bond Act" (excluding the first six paragraphs thereunder), "CITY INDEBTEDNESS AND DEBT LIMITS – School Qualified Bond Act" (excluding the first six paragraphs thereunder), "CITY FINANCIAL INFORMATION – Current Fund—Revenues and Expenditures", "CITY REVENUES – Real Estate Tax" (table captioned "Analysis of Tax Rates and Percent Distribution Rate Per $1,000 Assessed Valuation" only), "CITY REVENUES – Equalization Rate and Tax Collection Rates" (excluding the first paragraph thereof), "CITY REVENUES – Tax-Exempt Properties", "CITY REVENUES – Properties in Tax Abatement" (excluding the first three paragraphs thereunder), 'CITY REVENUES – Delinquent Taxes" (excluding the first two paragraphs thereunder), "CITY REVENUES – State Aid Programs" (table captioned "State Aid to Jersey City" only), "CITY EXPENDITURES", "PENSION FINANCING – City Plans" (tables reflecting Annual Recommended Contributions and captioned "City Contribution to Employee Pensions" only), 'PENSION FINANCING – Post Employment Benefits" and "LITIGATION – Pending Litigation" (table describing amounts in judgments and settlements only)".

Section 5. <u>Reporting of Significant Events</u>.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on the debt service reserves reflecting financial difficulties;

4. unscheduled draws on the credit enhancements reflecting financial difficulties;

5. substitution of the credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

7. modifications to rights of Bondholders, if material;

8. Bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Bonds, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry

of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Bondholder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or wilful misconduct. The obligations of the Issuer under this Section 11 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: ___________, 2016

CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY

By: ___________________________________
Donna L. Mauer, Chief Financial Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Jersey City, in the County of Hudson, New Jersey

Name of Bond Issue: $__________ Special Assessment Bonds, Taxable Series 2016A

Date of Issuance: ___________, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Certificate dated ______________, 2016. The Issuer anticipates that the Annual Report will be filed by _____________.___, 20__.

Dated:___________ ___, 20__

CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY

By:_______________________________________
Name:
Title:

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.734

Agenda No. 10.E

Approved: NOV 09 2016

TITLE:

RESOLUTION OF THE CITY OF JERSEY CITY AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE CITY'S SPECIAL EMERGENCY NOTES, SERIES 2016C, SPECIAL EMERGENCY NOTES, SERIES 2016D, AND BOND ANTICIPATION NOTES, SERIES 2016E AND APPROVING A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO SAID NOTES OF THE CITY, AND AUTHORIZING AND/OR RATIFYING OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Municipal Council of the City of Jersey City, in the County of Hudson, New Jersey (the "City"), has previously adopted an ordinance of the City numbered 13.118 and finally adopted by the Municipal Council of the City on November 13, 2013 ("Ordinance 13.118"), a resolution of the City adopted by the Municipal Council of the City on November 13, 2013 the ("2013 Resolution"), an ordinance of the City numbered 14.132 and finally adopted by the Municipal Council of the City on October 22, 2014 ("Ordinance 14.132"), a resolution of the City adopted by the Municipal Council of the City on October 22, 2014 (the "2014 Resolution"), an ordinance of the City numbered 15.149 and finally adopted by the Municipal Council of the City on November 10, 2015 ("Ordinance 15.149"), a resolution of the City adopted by the Municipal Council of the City on November 10, 2015 (the "2015 Resolution"), a bond ordinance of the City numbered 13.031 and finally adopted by the Municipal Council of the City on April 10, 2013 ("Ordinance 13.031"), a resolution of the City adopted by the Municipal Council of the City on December 19, 2012 (the "2012 Resolution"), a bond ordinance of the City numbered 16.106 finally adopted by the Municipal Council on July 13, 2016 ("Ordinance 16.106"), an ordinance of the City numbered 16.130 and adopted by the Municipal Council of the City on September 14, 2016 ("Ordinance 16.130") and a resolution of the City adopted by the Municipal Council of the City on September 14, 2016 (the "2016 Resolution"); and

WHEREAS, the City intends to issue its Special Emergency Notes, Series 2016C (the "Series 2016C Notes") in an amount not to exceed $14,700,000 under Ordinance 13.118, Ordinance 14.132, Ordinance 15.149, the 2013 Resolution, the 2014 Resolution and the 2015 Resolution for the purpose of refunding a portion of the City's $21,600,000 Special Emergency Notes, Series 2015F (Federally Taxable) which were issued on December 11, 2015 and mature on December 9, 2016; and

WHEREAS, the City intends to issue its Special Emergency Notes, Series 2016D (the "Series 2016D Notes") in an amount not to exceed $5,897,496 under the 2012 Resolution, Ordinance 16.130 and the 2016 Resolution for the purpose of (i) refunding a portion of the City's $1,794,992 Special Emergency Notes, Series 2015H which were issued on December 11, 2015 and mature on December 9, 2016, and (ii) providing for the financing of a complete program of revaluation of real property for the use of the local assessor; and

WHEREAS, the City intends to issue its Bond Anticipation Notes, Series 2016E in an amount not to exceed $9,470,194 (the "Series 2016E Notes", and together with the Series 2016C Notes and the Series 2016D Notes, the "Notes") under Ordinance 13.031 and Ordinance 16.106 for the purpose of (i) refunding a portion of the City's $7,095,360 Bond Anticipation Notes, Series 2015I which were issued on December 11, 2015 and mature on December 9, 2016, and (ii) aiding in the redevelopment of a redevelopment project consisting of various improvements located within the City's West Campus Redevelopment Area; and

WHEREAS, all matters pertaining to the sale of the Notes have been delegated by the aforementioned Ordinances and Resolutions to the Chief Financial Officer of the City; and

TITLE:

WHEREAS, in connection with the offering and sale of the Notes, the City intends to distribute a Preliminary Official Statement and final Official Statement setting forth certain information relating to the City and the Notes, and the City also intends to enter into a Continuing Disclosure Certificate.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY, AS FOLLOWS:

SECTION 1. Authorization for Official Statement. The distribution by the City, and its financial advisor, of the Preliminary Official Statement relating to the Notes (a draft of which is attached hereto as **Exhibit A** and shall be filed with the records of the City) is hereby approved in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the City officer executing the same may approve, such approval to be evidenced by such City officer's execution thereof. The Chief Financial Officer is hereby authorized to deem the Preliminary Official Statement "final" within the meaning of Rule 15c2-12 of the Rules of the Securities and Exchange Commission and to execute and deliver a certificate to that effect. The Chief Financial Officer is hereby authorized to approve the contents and terms of the final Official Statement in respect of the aforementioned notes in substantially the form of the Preliminary Official Statement. The Chief Financial Officer is hereby authorized to sign such Official Statement on behalf of the City, in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as bond counsel may advise and the City officer executing the same may approve, such approval to be evidenced by such City officer's execution thereof.

SECTION 2. Continuing Disclosure. The form of the Continuing Disclosure Certificate in substantially the form attached hereto as **Exhibit B** is hereby approved, and the execution of the Continuing Disclosure Certificate by Chief Financial Officer of the City is hereby authorized. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed by the City and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Notwithstanding any other provision of this Resolution, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered a default on the Notes; however, any holder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 3. Further Action. Any matter relating to the award, sale or execution of the Notes which has been delegated by the Ordinances to the Chief Financial Officer may be performed by said officer. On behalf of the City, the appropriate representatives of the City are authorized and directed to take all steps which are necessary or convenient to effectuate the terms of this Resolution with respect to the issuance, sale and delivery of the Notes, including, but not limited to the execution of all tax certificates and other closing documentation. All such actions heretofore taken are hereby ratified, approved and confirmed.

Section 4. Effective Date. This Resolution shall take effect upon adoption.

Continuation of Resolution ______________

City Clerk File No. Res. 16.734

Agenda No. 10.E NOV 09 2016

TITLE:

APPROVED: Donna Mauer, CFO

APPROVED: ______________
Business Administrator

APPROVED AS TO LEGAL FORM

____
Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES.	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

____
Rolando R. Lavarro, Jr., President of Council

____
Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

RESOLUTION OF THE CITY OF JERSEY CITY AUTHORIZING THE CIRCULATION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE CITY'S SPECIAL EMERGENCY NOTES, SERIES 2016C, SPECIAL EMERGENCY NOTES, SERIES 2016D, AND BOND ANTICIPATION NOTES, SERIES 2016E AND APPROVING A CONTINUING DISCLOSURE CERTIFICATE WITH RESPECT TO SAID NOTES OF THE CITY, AND AUTHORIZING AND/OR RATIFYING OTHER ACTIONS IN CONNECTION THEREWITH

Initiator

Department/Division	Administration	Management & Budget
Name/Title	Donna Mauer	Chief Financial Officer
Phone/email	201-547-5042	DonnaM@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

This resolution approves the Preliminary Official Statement and Continuing Disclosure Certificate for the sale of certain Notes. The purpose is to provide the Council with these offering documents prior to the sale.

I certify that all the facts presented herein are accurate.

Donna Mauer 11/1/16

Signature of Department Director **Date**

EXHIBIT A

This is a Preliminary Official Statement and the information contained herein is subject to completion, amendment or other change without notice. The securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER ___, 2016

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

NEW ISSUE **RATINGS: See "RATINGS" herein**

In the opinion of GluckWalrath LLP, Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable to the Tax-Exempt Notes (as defined herein) and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of original delivery of the Tax-Exempt Notes, interest received by holders of the Tax-Exempt Notes will be excludable from gross income for federal income tax purposes and will not be treated as a tax preference item for purposes under Section 57 of the Code for individuals or corporations. Interest on the Tax-Exempt Notes is included in the adjusted current earnings of certain corporations for the purposes of computing the alternative minimum alternative tax on such corporations. In the opinion of Bond Counsel interest on the Bonds and the Taxable Notes is not excluded from gross income for federal tax purposes. Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Bonds and the Notes, interest on the Bonds and the Notes and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Bonds and the Notes.

CITY OF JERSEY CITY
in the County of Hudson, New Jersey

$11,821,000* SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A
and
$30,067,690 NOTES
Consisting of:
$14,700,000 SPECIAL EMERGENCY NOTES, SERIES 2016C (FEDERALLY TAXABLE),
$5,897,496 SPECIAL EMERGENCY NOTES, SERIES 2016D,
and
$9,470,194 BOND ANTICIPATION NOTES, SERIES 2016E

Dated: Date of Delivery **Due: Bonds: December 1 as shown on the inside front cover**
Notes: December 8, 2017, as shown below

The $11,821,000* Special Assessment Bonds, Taxable Series 2016A (the "Bonds"), the $14,700,000 Special Emergency Notes, Series 2016C (Federally Taxable) (the "Taxable Notes"), the $5,897,496 Special Emergency Notes, Series 2016D (the "Special Emergency Notes") and the $9,470,194 Bond Anticipation Notes, Series 2016E (the "Bond Anticipation Notes", and together with the Special Emergency Notes, the "Tax-Exempt Notes") will be issued by the City of Jersey City, in the County of Hudson, New Jersey (the "City"). The Taxable Notes and the Tax-Exempt Notes are hereinafter referred to as the "Notes".

The Bonds will be issued as fully registered Bonds and, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry-only form (without certificates) in denominations of $5,000 or more. So long as DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds of such series are to be made directly to Cede & Co., which is to remit such payments to DTC participants, which in turn is to remit such payments to the beneficial owners of the Bonds (see "DESCRIPTION OF THE BONDS AND THE NOTES – Book-Entry Only System" herein). Interest on the Bonds is payable semiannually on June 1 and December 1 in each year until maturity or prior redemption, as applicable, commencing June 1, 2017.

The Bonds are subject to redemption prior to their stated maturities as more fully described herein. See "DESCRIPTION OF THE BONDS AND THE NOTES – Redemption of the Bonds and Notes" herein.

The Bonds constitute general obligations of the City and the full faith and credit and unlimited taxing power of the City are pledged to the payment of the principal of, applicable premium, if any, and interest on the Bonds. The City shall be required to levy *ad valorem* taxes upon all taxable property within the City for the payment of the principal of and interest on the Bonds without limitation as to rate or amount. The Bonds are not a debt or obligation, legal, moral, or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof, other than the City.

The Notes will be issued as fully registered Notes in the form of one certificate for the aggregate principal amount of each series of Notes and, when issued, will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of the Notes of each series will be made in book-entry-only form (without certificates) in denominations of $5,000 or more. So long as DTC, or its nominee Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes are to be made directly to Cede & Co., which is to remit such payments to DTC participants, which in turn is to remit such payments to be beneficial owners of the Notes (see "DESCRIPTION OF THE BONDS AND THE NOTES – Book Entry Only System" herein). Interest on the Notes is payable at maturity. The Notes are not subject to redemption prior to their maturity.

$__________ _____%, Taxable Notes, Due December 8, 2017– Price _____%
$__________ _____%, Special Emergency Notes, Due December 8, 2017– Price _____%
$__________ _____%, Bond Anticipation Notes, Due December 8, 2017– Price _____%

The Notes constitute general obligations of the City, and the full faith and credit and unlimited taxing power of the City are pledged to the payment of the principal of, applicable premium, if any, and interest on the Notes. The City shall be required to levy *ad valorem* taxes upon all taxable real property within the City for the payment of the principal of and interest on the Notes without limitation as to rate or amount. The Notes are not a debt or obligation, legal, moral, or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof, other than the City.

The Bonds and the Notes are offered when, as and if issued by the City and delivered to the respective purchasers, subject to the approval of legality by GluckWalrath LLP, Trenton, New Jersey, Bond Counsel, and other conditions described herein. NW Financial Group, LLC, Hoboken, New Jersey, has served as financial advisor in connection with the issuance of the Bonds and the Notes. It is expected that the Bonds and the Notes will be available for delivery on or about December 8, 2016. The Bonds and the Notes are to be delivered through the facilities of DTC in Jersey City, New Jersey.

ELECTRONIC AND FAXED PROPOSALS WILL BE RECEIVED FOR THE BONDS AND THE NOTES ON NOVEMBER 17, 2016 UNTIL 11:00 AM FOR THE BONDS, 11:30 AM FOR THE TAX-EXEMPT NOTES AND 11:45 AM FOR THE TAXABLE NOTES. FOR MORE INFORMATION ON HOW TO BID, PLEASE REFER TO THE ENCLOSED NOTICES OF SALE.

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*Preliminary, subject to change.

MATURITIES, PAR AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

$11,821,000* Special Assessment Bonds, Taxable Series 2016A

December 1	Bonds*	Interest Rate	Yield	CUSIP Numbers**
2017	$595,000	%	%	476576___
2018	595,000	%	%	476576___
2019	595,000	%	%	476576___
2020	595,000	%	%	476576___
2021	595,000	%	%	476576___
2022	595,000	%	%	476576___
2023	595,000	%	%	476576___
2024	595,000	%	%	476576___
2025	595,000	%	%	476576___
2026	595,000	%	%	476576___
2027	595,000	%	%	476576___
2028	595,000	%	%	476576___
2029	595,000	%	%	476576___
2030	595,000	%	%	476576___
2031	595,000	%	%	476576___
2032	595,000	%	%	476576___
2033	595,000	%	%	476576___
2034	595,000	%	%	476576___
2035	595,000	%	%	476576___
2036	516,000	%	%	476576___

*Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the City does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF JERSEY CITY,
IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY

MAYOR

Steven M. Fulop

CITY COUNCIL

Rolando R. Lavarro, Jr., Council President
Joyce Watterman, Councilwoman at Large
Daniel Rivera, Councilman at Large
Frank Gajewski, Ward A Councilman
John J. Hallanan III, Ward B Councilman
Richard Boggiano, Ward C Councilman
Michael Yun, Ward D Councilman
Candice Osborne, Ward E Councilwoman
Diane Coleman, Ward F Councilwoman

CITY OFFICIALS

Robert J. Kakoleski, Business Administrator
Mark Albiez, Mayor's Chief of Staff
Jeremy Farrell, Corporation Counsel
Anthony Cruz, Director of the Department of Housing, Economic Development and Commerce
Donna L. Mauer, Chief Financial Officer
Robert Byrne, City Clerk

BOND COUNSEL

GluckWalrath LLP
Trenton, New Jersey

FINANCIAL ADVISOR

NW Financial Group, LLC
Hoboken, New Jersey

INDEPENDENT AUDITORS

Donohue, Gironda, Doria & Tomkins, LLC
Bayonne, New Jersey

No broker, dealer, salesperson or other person has been authorized by the City or the Underwriters to give any information or to make any representations with respect to the Bonds and Notes other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriters. The information contained herein has been obtained from the City, DTC and other sources which are believed to be reliable; however, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation or warranty of the City or the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, ordinances, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the City during normal business hours. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds and the Notes, the Underwriters may engage in transactions intended to stabilize the price of the Bonds and the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds and the Notes are offered to the public by the Underwriters and the yields resulting therefrom may vary from the initial public offering prices or yields shown on the cover and the inside front cover page hereof. In addition, the Underwriters may allow concessions or discounts from such initial public offering prices or yields to dealers and others.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

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OFFICIAL STATEMENT
of the
CITY OF JERSEY CITY,
IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY

$11,821,000* SPECIAL ASSESSMENT BONDS, TAXABLE SERIES 2016A
and
$30,067,690 NOTES
Consisting of:
$14,700,000 SPECIAL EMERGENCY NOTES, SERIES 2016C (FEDERALLY TAXABLE),
$5,897,496 SPECIAL EMERGENCY NOTES, SERIES 2016D,
and
$9,470,194 BOND ANTICIPATION NOTES, SERIES 2016E

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of Jersey City (the "City"), in the County of Hudson (the "County"), State of New Jersey (the "State" or "New Jersey") in connection with the sale and issuance by the City of its $11,821,000* Special Assessment Bonds, Taxable Series 2016A (the "Bonds"), its $14,700,000 Special Emergency Notes, Series 2016C (Federally Taxable) (the "Taxable Notes"), its $5,897,496 Special Emergency Notes, Series 2016D (the "Special Emergency Notes") and its $9,470,194 Bond Anticipation Notes, Series 2016E (the "Bond Anticipation Notes", and together with the Special Emergency Notes, the "Tax-Exempt Notes"). The Taxable Notes and the Tax-Exempt Notes are hereinafter collectively referred to as the "Notes". This Official Statement (the "Official Statement"), which includes the cover page, the inside front cover pages and the Appendices attached hereto, has been authorized by the Mayor and City Council to be distributed in connection with the sale of the Bonds and the Notes and has been executed by and on behalf of the City by the Business Administrator and the Chief Financial Officer.

This Official Statement contains specific information relating to the Bonds and the Notes including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the sale, issuance and delivery of the Bonds and the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the City.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

Preliminary, subject to change.

DESCRIPTION OF THE BONDS AND THE NOTES

General Description of the Bonds and the Notes

The Bonds shall be dated the date of delivery and shall mature on December 1 in each of the years and in the principal amounts as set forth on the inside front cover page hereof. The Bonds shall bear interest from the date of delivery and shall be payable on December 1 and June 1 in each year until maturity or prior redemption, as applicable, commencing June 1, 2017, at the rates shown on the inside front cover page hereof. The Bonds will be issued as fully registered book-entry only bonds in the form of one certificate for each year of maturity of the Bonds of each series in the aggregate principal amount of such maturity. The Bonds may be purchased in book-entry only form in the amount of $5,000 each or more, through book-entries made on the books and records of The Depository Trust Company, New York, New York ("DTC") and its participants. So long as DTC or its nominee, Cede & Co., or any successor or assign, is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the City or the Paying Agent (as defined herein) directly to Cede & Co. or any successor or assign, as nominee for DTC. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be credited to the participants of DTC as listed on the records of DTC as of the close of business on each May 15 and November 15 preceding an interest payment date.

The Notes shall be dated the date of delivery and mature on December 8, 2017. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Notes will be paid when due and at maturity at the office of the Chief Financial Officer of the City (unless a Paying Agent is appointed by the City). So long as DTC or its nominee is the registered owner of the Notes, payments of the principal of and interest on the Notes are to be made directly to Cede & Co., as nominee for DTC; disbursements of such payments to the DTC Participants is the responsibility of DTC, and disbursements of such payments to the beneficial owners of the Notes is the responsibility of the DTC Participants. The Notes will be issued in fully registered form in the denomination of $5,000 or more, and, under certain circumstances, are exchangeable for one or more fully registered Notes of like principal amount, series and maturity in the denomination of $5,000 or more.

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interest in the Bonds and the Notes of each series, payment of principal and interest and other payments on the Bonds and the Notes to Direct and Indirect Participants (defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and the Notes and other related transactions by and between DTC, Direct and Indirect Participants and Beneficial Owners, is based on certain information furnished by DTC to the City. Accordingly, the City does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds and the Notes. The Bonds and Notes will be issued as fully-registered bonds and notes registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Fully-registered Bond and Note certificates will be issued in the aggregate principal amounts of the Bonds and Notes of each series and maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond or Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds and Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds and Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and or the Notes at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and/or Note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond and/or Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS AND THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, NOTEHOLDERS OR REGISTERED OWNERS OF THE BONDS AND THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry Only System

If the City, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds and the Notes at any time, the City will attempt to locate another qualified Securities Depository. If the City fails to find such Securities Depository, or if the City determines, in its sole discretion, that it is in the best interest of the City or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the City undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the City shall notify DTC of the termination of the book-entry only system.

Redemption of the Bonds and the Notes

The Bonds maturing prior to December 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on or after December 1, 2027 are subject to redemption, at the option of the City prior to maturity and upon notice as hereinafter provided, at any time on or after December 1, 2026, in whole or in part from such maturities as the City shall determine and by lot within a single maturity, at the respective redemption price of 100% of the principal amount to be redeemed together with unpaid interest accrued to the redemption date.

In the event the winning bidder elects to aggregate consecutive principal maturities of the Bonds into one or more term Bonds, then each such term Bond shall be subject to mandatory sinking fund redemption prior to maturity, in part, on the dates and in the amounts to be set forth in the final Official Statement, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The Notes are not subject to redemption prior to maturity.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the City determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the City; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

AUTHORIZATION OF THE BONDS AND THE NOTES

The Bonds are authorized by and are issued pursuant to: (i) the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), (ii) a bond ordinance numbered 01-057 (the "2001 Bond Ordinance") duly adopted by the Municipal Council on June 13, 2001, and approved and published as required by law, and (iii) a resolution duly adopted by the City Council on November __, 2016.

The Series 2016E Notes have been authorized and are to be issued pursuant to the Local Bond Law and a bond ordinance numbered 13.031 finally adopted by the Municipal Council of the City on April 10, 2013 (the "2013 Bond Ordinance") and a bond ordinance numbered 16.106 finally adopted by the Municipal Council of the City on July 13, 2016 (the "2016 Bond Ordinance", and together with the 2013 Bond Ordinance and the 2001 Bond Ordinance, the "Bond Ordinances").

By resolution adopted on April 10, 2013, the New Jersey Local Finance Board approved the issuance of the 2016E Notes. The Local Finance Board is authorized to establish certain conditions and requirements that the City must meet before approval for issuance is given.

The Bond Ordinances have been published in full after final adoption along with the statement that the twenty (20) day period of limitation, within which a suit, action or proceeding questioning the validity of the Bond Ordinances could be commenced, began to run from the date of the first publication of such statement. The Local Bond Law provides, that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the City.

The Series 2016C Notes and the Series 2016D Notes have been authorized and are to be issued pursuant to the Local Budget Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Local Budget Law"), specifically N.J.S.A. 40A:4-53, and: (A) with respect to the Series 2016C Notes, (i) an ordinance of the City numbered 13.118 and adopted by the Municipal Council of the City on November 13, 2013 and a resolution of the City adopted by the Municipal Council of the City on November 13, 2013, (ii) an ordinance of the City numbered 14.132 and adopted by the Municipal Council of the City on October 22, 2014 and a resolution of the City adopted by the Municipal Council of the City on October 22, 2014, and (iii) an ordinance of the City numbered 15.149 and adopted by the Municipal Council of the City on November 10, 2015 and a resolution of the City adopted by the Municipal Council of the City on November 10, 2015; and (B) with respect to the Series 2016D Notes, (i) a resolution of the City adopted by the Municipal Council of the City on December 19, 2012, (ii) an ordinance of the City numbered 16.130 and adopted by the Municipal Council of the City on September 14, 2016, and a resolution of the City adopted by the Municipal Council of the City on September 14, 2016. Pursuant to the Local Budget Law, the special emergency notes may be renewed from time to time, provided that at least 1/5 of all such special emergency notes, and the renewals thereof, mature and are paid in each year so that all the special emergency notes and renewals are paid no later than the last day of the fifth year following the date of the resolution authorizing such special emergency notes.

PURPOSE OF THE BONDS AND APPLICATION OF PROCEEDS

The City will apply the proceeds from the sale of the Bonds to pay a portion of the maturing principal of the City's $13,103,742 Bond Anticipation Notes, Series 2015G (Federally Taxable) which were issued on December 11, 2015 and are payable on December 9, 2016. Such maturing Series 2015G Notes were issued to finance various capital improvements and various public improvements to Greene Street as local improvements in the City, all as set forth in the 2013 Bond Ordinance and the 2001 Bond Ordinance. The remaining $1,282,742 will be retired from funds appropriated from the City's fiscal year 2016 budget appropriations.

PURPOSE OF THE NOTES AND APPLICATION OF PROCEEDS

The City will apply the proceeds from the sale of the Series 2016C Notes to (i) pay a portion of the maturing principal of the City's $21,600,000 Special Emergency Notes, Series 2015F (Federally Taxable) (the "Series 2015F Special Emergency Notes") which were issued on December 11, 2015 and are payable on December 9, 2016; and (ii) pay a portion of the costs of issuing the Series 2016C Notes . Such Series 2015F Special Emergency Notes were issued to provide for the payment of contractually required severance liabilities resulting from the layoff or retirement of City employees. The remaining $6,900,000 of the principal of the Series 2015F Special Emergency Notes will be retired from funds appropriated from the City's fiscal year 2016 budget appropriations.

The City will apply the proceeds from the sale of the Series 2016D Notes to (i) pay a portion of the maturing principal of the City's $1,794,992 Special Emergency Notes, Series 2015H (the "Series 2015H Special Emergency Notes") which were issued on December 11, 2015 and mature on December 9, 2016, (ii) provide for the financing of a complete program of revaluation of real property for the use of the local assessor; and (iii) pay a portion of the costs of issuing the Series 2016D Notes. Such Series 2015H Special Emergency Notes were issued to pay a portion of the maturing principal of the Series 2014F Special Emergency Notes relating to the costs associated with the clean-up and recovery from Hurricane Sandy. The remaining $897,496 of the principal of the Series 2015H Special Emergency Notes will be retired from funds appropriated from the City's fiscal year 2016 budget appropriation.

The City will apply the proceeds from the sale of the Series 2016E Notes to (i) pay a portion of the maturing principal of the City's $7,095,360 Bond Anticipation Notes, Series 2015I (the "Series 2015I Notes") which were issued on December 11, 2015 and are payable on December 9, 2016; (ii) aid in the redevelopment of a redevelopment project consisting of various improvements located within the City's West Campus Redevelopment Area as described in the 2016 Bond Ordinance; and (iii) pay a portion of the costs of issuing the Series 2016E Notes. The remaining $1,625,166 of the principal of the Series 2015I Special Emergency Notes will be retired from funds appropriated from the City's fiscal year appropriations. Such Series 2015I Notes were issued to provide for the payment of various capital improvements.

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding general obligations of the City, and the City has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Bonds are direct obligations of the City and, unless paid from other sources, the City is required by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

The Bonds are not a debt or obligation, legal, moral or otherwise, of the State, or any county, municipality or any political subdivision thereof, other than the City.

The Notes constitute general obligations of the City and the full faith and credit and unlimited taxing power of the City are pledged to the payment of principal of, and interest on the Notes. The City is authorized and required by law to levy *ad valorem* taxes on all real property taxable by the City for the payment of the principal of and the interest on the Notes without limitation as to rate or amount. Payment of such principal and interest is not limited, however, to any particular fund or source of revenue of the City. The City is required to include in its annual municipal budget the total amount of interest and principal charges on all of its general obligation indebtedness for the current year.

The Notes are not a debt or obligation, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof, other than the City.

The Bonds and the Notes are not entitled to the benefits of the Municipal Qualified Bond Act, Title 40A of the New Jersey Statutes, Section 40A:3-1, et seq., as amended, the School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 et seq., as amended, or the New Jersey School Bond Reserve Act, P.L. 1980 (N.J.S.A. 18A:56-17 et seq.).

NO DEFAULT

The City has never defaulted in the payment of principal of, redemption premium, if any, and interest on any bonds or notes or other obligations of the City, nor are any payments of principal of or interest on the City's indebtedness past due.

MARKET PROTECTION

Other than the Bonds and the Notes, the City does not anticipate issuing any additional series of notes and bonds in 2016.

CITY OF JERSEY CITY

The City is New Jersey's second largest municipality with a population of 247,597 according to the United States Department of Commerce's 2010 Census. The City is located on the west side of the Hudson River, directly across from lower Manhattan in New York City, and is part of the major business and industrial concentration spanning the New York - Northern New Jersey metropolitan area.

The City's land area is 15.8 square miles, including a five mile long stretch of Hudson River waterfront that has experienced considerable high rise office tower, residential and multi-family development over the past ten years. The City is connected to New York City by the Holland Tunnel and the PATH railroad tubes and is within ten miles of Newark International Airport and the container and cargo facilities of Port Newark-Elizabeth. The City is located in the County of Hudson. The City's size and current development activity cause it to dominate the economy of Hudson County (the Jersey City Labor Area). The City also serves as the seat of the County government. Of the approximately 275,000 persons employed in the County, approximately 43% are employed in Jersey City. For additional information regarding the City and its finances, see "APPENDIX A - Certain Information Regarding the City of Jersey City".

RECENT FINANCIAL RESULTS AND FINANCIAL OUTLOOK

Financial Overview

Appendix A contains information relative to the financial operations of the City. Over the last few years, the City's financial position has improved due to structurally balanced operations and strong prospects for continued tax base growth. The City has benefited from successful efforts to raise additional recurring revenues while reducing personnel related expenditures.

The calendar year that ended December 31, 2015 resulted in an excess of $20,295,394 in operations and the City's audited fund balance was $50,705,610. The calendar year that ended December 31, 2014 resulted in an excess of $33,812,449 in operations and the City's audited fund balance was $56,132,966. The calendar year that ended December 31, 2013 resulted in an excess of $12,410,182 in operations and the City's audited fund balance was $38,733,517. The calendar year that ended December 31, 2012 resulted in an excess of $7,946,247 in operations and the City's audited fund balance was $33,530,567.

The City restructured its debt on March 30, 2006, providing Fiscal Year 2006 debt service relief of $18 million and another approximately $69 million in Fiscal Years 2007-2011 combined, and was intended to produce approximately level debt service through Fiscal Year 2022.

Financial Results

2016 Budget. The City's budget for the 2016 Calendar year was introduced on February 24, 2016 and adopted on July 20, 2016. The Municipal Tax levy increased to $223,276,028. The City's 2016 budget anticipated $69,198,542 in State Aid.

2015 Results. The City's budget for the 2015 Calendar year was introduced on March 11, 2015 and adopted on July 28, 2015. The Municipal Tax levy increased to $219,785,389. The City's 2015 budget realized $68,430,369 in State Aid.

2014 Results. The City's budget for the 2014 Calendar year was introduced on March 12, 2014 and adopted on September 23, 2014. The Municipal Tax levy decreased to $217,414,170. The City's budget realized $68,569,897 in State Aid.

2013 Results. The City's budget for the 2013 Calendar year was introduced on February 27, 2013 and adopted on July 17, 2013. The Municipal Tax levy increased to $217,730,857. The City's budget realized $69,336,338 in State Aid.

2012 Results. The City's budget for the 2012 Calendar year was introduced on February 22, 2012 and adopted on July 31, 2012. The Municipal Tax levy increased to $208,175,697. The City's budget realized $69,509,094 in State Aid.

2011 Results. The City's budget for the 2011 Calendar year was introduced on March 9, 2011 and adopted on September 27, 2011. The Municipal Tax levy increased to $201,000,000. The City's budget realized $70,488,976 in State Aid.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial or sinking fund installments. A five percent (5%) cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures and must be filed with the

Director (as defined herein) within six (6) months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of its completion.

The chief financial officer of every local unit must file annually with the Director a verified statement of financial condition of the local unit and all constituent boards, agencies and commissions.

The annual audit report is filed with the City Clerk and is available for review during business hours.

Debt Limits (N.J.S.A. 40A:2-6)

The authorized bonded indebtedness of a municipality in the State is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its equalized valuation basis. The equalized valuation basis of a municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

On December 31, 2015, the City's percentage of statutory net debt was 2.26% and was comprised of the following:

	Gross Debt	Deductions	Net Debt
Municipal Purposes	$731,296,762	$280,413,125	$450,883,637
School Purposes	$43,775,245	$43,775,245	$0

Exceptions to Debt Limits - Extensions of Credit (N.J.S.A. 40A:2-7)

The debt limit of the City may be exceeded with the approval of the Local Finance Board, a State regulatory agency. If all or any part of a proposed debt authorization would exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the ability of the City to meet its obligations or to provide essential services, or makes other statutory determinations, approval may be granted. In addition to the aforesaid, debt in excess of the debt limit may be issued without the approval of the Local Finance Board to fund certain bonds for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes).

Short-Term Financing

The City may issue short term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes, which are general obligations of the City, may be issued for a period not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of outstanding notes that may be renewed is decreased by the minimum amount required for the first year's principal payment of bonds in anticipation of which such notes are issued.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"), the City is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The City must adopt an operating budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are regulated by law and must be certified by the Director prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director of the Division (the "Director") is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Local budgets, by law and regulation, must be in balance on a "cash basis". No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10).

The principal sources of City revenues are real estate taxes, State Aid, Federal Aid and miscellaneous revenues.

In any year, the municipality may authorize, by resolution, the issuance of tax anticipation notes which may be issued in anticipation of the collection of taxes for such year. Tax anticipation notes are limited in amount by law and must be paid off in full by a municipality within one hundred twenty (120) days after the close of the fiscal year.

Real Estate Taxes

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

Section 41 of the Local Budget Law provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of such preceding fiscal year."

The provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\frac{\text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes}}{\text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)}} = \text{Amount to be Raised by Taxation}$$

Miscellaneous Revenues

Section 26 of the Local Budget Law provides: "no miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10). The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar fiscal year.

Limitations on Expenditures ("Cap Law") and Property Tax Levy Cap

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law was amended and became effective on July 7, 2004. The Cap Law provides that the City shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the City may, by ordinance approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the City for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15b restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care costs in excess of two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote in excess of fifty percent (50%).

The Division has advised that counties and municipalities must comply with both the budget Cap Law and the tax levy limitation. Neither the tax levy limitation nor the Cap Law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the City, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in N.J.S.A. 40A:4-48, and approved by at least two-thirds of the full membership of the governing body and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, reevaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the previous fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Fiscal Year

In 2010, the City changed its fiscal year from a June 30th year end to a December 31st year end. The City adopted a transition year budget for the period July 1, 2010 through December 31, 2010 and introduced a full calendar year budget for the period commencing January 1, 2011 and in each calendar year thereafter.

Budget Process

Primary responsibility for the City's budget process lies with the City Council. As prescribed by the Local Budget Law, adoption should occur by the end of March; however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the City operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the City may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

TAX INFORMATION ON THE CITY

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners. Because of the escalation of property resale values, annual adjustments could not keep pace with the rising values.

Upon the filing of certified adopted budgets by the City, the school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special district.

For calendar year municipalities, tax bills are generally sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, school district or county purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, school district or county purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, school district or county purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first $1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of $1,500. A penalty of up to six percent (6%) of the delinquency in excess of $10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the Corporation Counsel (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of Chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive, all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April (1st day of May in a revaluation year) of the current tax year for its review. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

DEBT INFORMATION ON THE CITY

Debt Statements

The City must report all new authorizations of debt or changes in previously authorized debt to the Division. The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year, the City must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the City as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

TAX MATTERS

Tax-Exempt Notes

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal

Revenue Code of 1986, as amended (the "Code") applicable to the Tax-Exempt Notes and subject to certain provisions of the Code which are described below, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Tax-Exempt Notes, interest received by a holder of the Tax-Exempt Notes will be excludable from gross income for federal income tax purposes, and will not be treated as a tax preference item for purposes under Section 57 of the Code for individuals or corporations. Interest on the Tax-Exempt Notes is included in the adjusted current earnings of corporations for the purposes of computing the alternative minimum alternative tax on such corporations.

The Code contains a number of provisions that apply to the Tax-Exempt Notes, including restrictions relating to the use or investment of the proceeds of the Tax-Exempt Notes (or facilities financed by such proceeds) and the payment of certain arbitrage earnings in excess of the "yield" on the Tax-Exempt Notes to the Treasury of the United States. Non-compliance with such provisions may result in interest on the Tax-Exempt Notes not being excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Notes. The City has covenanted to comply with these requirements.

Section 265(b) of the Code generally denies to financial institutions any deduction for that portion of interest expense incurred to purchase or carry certain tax-exempt obligations. An exception is provided certain small issuers who designate the obligations as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and, provided certain conditions are met, for obligations the proceeds of which refund obligations which were designated as qualified tax-exempt obligations. Such obligations will be subject to a reduced disallowance rule. The Tax-Exempt Notes will NOT be designated by the City as qualified tax exempt obligations under Section 265(b) of the Code.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Tax-Exempt Notes. President Obama has submitted to Congress various legislative proposals, which if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. If enacted into law, such proposals may cause interest on the Tax-Exempt Notes to be subject, directly or indirectly, to federal income taxation or otherwise prevent owners of the Tax-Exempt Notes from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Tax-Exempt Notes. No prediction is made whether these provisions will be enacted as proposed or concerning other future legislation which if passed might have the effect on the tax treatment of interest on the Tax-Exempt Notes. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation. Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed. The City has no obligation to provide updated information concerning pending or future legislation. Each purchaser of the Tax-Exempt Notes should consult his or her own tax advisor regarding any pending or proposed federal tax legislation.

In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt obligations. There can be no assurance that an audit initiated or concluded by the IRS after the issue date of the Tax-Exempt Notes involving either the Tax-Exempt Notes or other tax-exempt obligations will not have an adverse effect on the tax-exempt status or market price of the Tax-Exempt Notes.

In addition, prospective purchasers of the Tax-Exempt Notes should be aware that Section 6049 of the Code provides that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The provision is effective for interest paid on tax-exempt obligations after December 31, 2005, regardless of when the tax exempt obligations were issued. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. The reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Bonds and Taxable Notes

The following is a general discussion of certain of the anticipated federal tax consequences of the purchase, ownership and disposition of the Bonds and the Taxable Notes by the original purchasers of the Bonds and the Taxable Notes. Investors should consult their own tax advisors in determining the federal, state, local or other tax consequences to them of purchase, ownership and disposition of the Bonds. This discussion is based upon the Code, regulations, rulings and decisions now in effect, all of which are subject to change at any time, possibly with retroactive effect, and does not purport to deal with federal income tax consequences applicable to all categories of investors, some of which will be subject to special rules. This discussion assumes that the Bonds and Taxable Notes will be held as "capital assets" under the Code and that the Bonds and Taxable Notes are owned by U.S. Holders (as defined below). Investors should consult their own tax advisors in determining the federal, state, local or other tax consequences to them of purchase, ownership and disposition of the Bonds and Taxable Notes.

As used herein, the term "U.S. Holder" means a beneficial owner of a Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any State or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a court within the United States and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Interest Income. INTEREST ON THE BONDS AND TAXABLE NOTES IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. The City will report annually (or more frequently if required) to owners of record and to the IRS in respect of interest paid on the Bonds and Taxable Notes.

Backup Withholding. Under the Code, payments on the Bonds and Taxable Notes may under certain circumstances, be subject to "backup withholding" at a rate equal to the fourth lowest rate of tax applicable under Section 1(c) of the Code. This withholding generally applies if the owner (i) fails to furnish such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails to properly report interest, dividends or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide such owner's securities broker with a certified statement, signed under penalties of perjury, that the TIN is correct and that such Noteholder is not subject to backup withholding. Owners of the Bonds and Taxable Notes should consult their own tax advisors as to their qualification for exemption for backup withholding and the procedures for obtaining the exemption.

Disposition and Defeasance. Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Bond or a Taxable Note, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the Bonds and Taxable Notes.

The City may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Bonds and Taxable Notes to be deemed to be no longer outstanding under the Resolution (a "defeasance"). For Federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Bonds and Taxable Notes subsequent to any such defeasance could also be affected.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATION OF THE TAX CONSEQUENCES UNDER THE CODE.

State Taxation

Bond Counsel is of the opinion, based upon existing statutes and judicial decisions, that interest on the Bonds and the Notes and net gains from the sale of the Bonds and the Notes are not included as gross income under the New Jersey Gross Income Tax Act. Potential purchasers of the Bonds and the Notes should consult with their tax advisors.

THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE BONDS AND THE NOTES. PROSPECTIVE PURCHASERS OF THE BONDS AND THE NOTES SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS AND THE NOTES.

LITIGATION

To the knowledge of the City's Corporation Counsel, Jeremy Farrell, Esq. (the "Corporation Counsel"), there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds and the Notes, or the levy or the collection of taxes to pay the principal of or the interest on the Bonds and the Notes, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes to pay the principal of or the interest on the Bonds and the Notes, or contesting the corporate existence or the boundaries of the City or the title of any of the present officers. Moreover, to the knowledge of the Corporation Counsel, except as set forth in Appendix A under the section entitled "Pending Litigation", no litigation is presently pending or threatened that, in the opinion of the Corporation Counsel, would have a material adverse impact on the financial condition of the City if adversely decided. A certificate or opinion to such effect will be executed by the Corporation Counsel and delivered to the Underwriters at the closing.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds and the Notes are subject to the approval of GluckWalrath LLP, Trenton, New Jersey, Bond Counsel to the City, whose approving legal opinions will be delivered with the Bonds and Notes substantially in the forms set forth in Appendix C hereto. Certain legal matters will be passed on for the City by its Corporation Counsel.

MUNICIPAL BANKRUPTCY

The undertakings of the City should be considered with reference to 11 U.S.C. § 101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit, including the City, has the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

The City has not authorized the filing of a bankruptcy petition. This reference to the Bankruptcy Code or the State statute should not create any implication that the City expects to utilize the benefits of their provisions, or that if utilized, such action would be approved by the Local Finance Board, or that any proposed plan would include a dilution of the source of payment of and security for the Bonds and the Notes, or that the Bankruptcy Code could not be amended after the date hereof.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of bondholders and noteholders to provide certain financial information and operating data on the City and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in Continuing Disclosure Certificates (the "Certificates") to be executed on behalf of the City by its Chief Financial Officer, in the forms appearing in Appendix D hereto, such Certificates to be delivered concurrently with the delivery of the Bonds and the Notes. These covenants are being made by the City to assist the purchasers of the Bonds and the Notes in complying with the Rule.

The City has previously failed to file, in a timely manner, its Annual Reports in accordance with the Rule for the calendar years ended December 31, 2011, 2012 and 2013. Generally, the City had previously filed, in a timely manner, the required audited financial statements, but did not timely file all required operating data for the periods referenced above. Additionally, the City had failed to file, in a timely manner, certain material event notices relating to rating changes of the City, the Municipal Qualified Bond Act, the School Qualified Bond Act, the School Bond Reserve Act and various bond insurance companies. Such notices were filed on November 13, 2014. Further, the City recently determined that it inadvertently failed to comply with prior undertakings to provide its Annual Report for the calendar years ended December 31, 2013 and December 31, 2014 with respect to bonds issued by the Jersey City Municipal Utilities Authority (the "JCMUA Undertaking"). However, portions of such Annual Reports were filed with the Municipal Securities Rulemaking Board (the "MSRB") with respect to the City's bonds. The City has since corrected this oversight by linking the required Annual Reports to the JCMUA Undertaking. The City has implemented certain procedures to file its Annual Reports on a more consistent and timely basis in future years. The City's implementation of procedures to file its Annual Reports also includes the continued utilization of Digital Assurance Certification, LLC (DAC) to assist with the City's disclosure requirements.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the City, including the Bonds and the Notes, and such Bonds and Notes are authorized security for any and all public deposits.

FINANCIAL ADVISOR

NW Financial Group, LLC, Hoboken, New Jersey has served as Financial Advisor to the City with respect to the issuance of the Bonds and the Notes (the "Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

The Bonds are being purchased by ____________________ (the "Bonds Underwriter") at an aggregate price of $__________. The Bonds are being reoffered to the public at a price of $_____________. The Bonds Underwriter is obligated to purchase all of the Bonds if any Bonds are purchased.

The Tax-Exempt Notes are being purchased by ______________ (the "Tax-Exempt Notes Underwriter") at an aggregate price of $__________. The Tax-Exempt Notes are being reoffered to the public at a price of $_____________. The Tax-Exempt Notes Underwriter is obligated to purchase all of the Tax-Exempt Notes if any Tax-Exempt Notes are purchased.

The Taxable Notes are being purchased by _______________ (the "Taxable Notes Underwriter", and together with the Bonds Underwriter and the Taxable Underwriter, the "Underwriters") , at an aggregate price of $__________. The Taxable Notes are being reoffered to the public at a price of $_____________. The Taxable Notes Underwriter is obligated to purchase all of the Taxable Notes if any Taxable Notes are purchased.

The initial public offering yields of the Bonds and Notes set forth on the cover and the inside cover page may be changed without notice by the Underwriters. The Underwriters may offer and sell the Bonds and the Notes to certain dealers (including dealers depositing Bonds and Notes into investment trusts, certain of which may be sponsored or managed by the Underwriters) and others at yields higher than the offering yields set forth on the inside cover page hereof.

RATING

The City has requested that the Bonds be rated by and has furnished information to S&P Global Ratings, a business of Standard & Poor's Financial Services LLC ("S&P") including information that may not be included in this Official Statement. S&P has assigned a rating of "___" to the Bonds. The Notes are not being rated.

An explanation of the significance of such rating may be obtained only from S&P. The rating reflects only the views of S&P. Generally, rating agencies base their ratings upon information and materials provided to them and upon investigations, studies and assumptions by the particular rating agency. There can be no assurance that the rating will be maintained for any given period of time or that any rating may not be lowered or withdrawn entirely, if in S&P judgment, circumstances so warrant. Such action, any downward change in, or withdrawal of any such rating, may have an adverse effect on the market price of the Bonds. The City has not undertaken any responsibility after the issuance of the Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

CLOSING CERTIFICATES

Upon the delivery of the Bonds and the Notes, the Underwriters will be furnished with the following items: (i) a Certificate executed by the Business Administrator and the Chief Financial Officer of the City (or officers otherwise titled serving in equivalent capacities) to the effect that as of the date of this Official Statement and at all times subsequent thereto, up to and including the time of the delivery of the Bonds and the Notes, this Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, and further stating that there has been no adverse material change in the financial condition of the City since the date of this Official Statement to the date of issuance of the Bonds and the Notes, as appropriate, and having attached thereto a copy of this Official Statement, (ii) a Certificate signed by an officer of the City evidencing payment for the Bonds and the Notes, (iii) a Certificate signed by the Mayor, Business Administrator, Chief Financial Officer and City Clerk evidencing the due execution of the Bonds and the Notes, including statements that (a) no litigation of any nature is pending or, to the knowledge of the signers, threatened, restraining or enjoining the issuance and delivery of the Bonds and the Notes, or the levy and collection of taxes to pay the principal of and interest thereon, nor in any manner questioning the proceedings and authority under which the Bonds were authorized or affecting the validity of the Bonds and the Notes thereunder, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded, (iv) the Continuing Disclosure Certificates; and (v) a Non-Arbitrage Certificate with respect to the Tax-Exempt Notes, each executed by the Chief Financial Officer.

PREPARATION OF OFFICIAL STATEMENT

The firm of Donohue, Gironda, Doria & Tomkins, LLC, Bayonne, New Jersey, Certified Public Accountants and Registered Municipal Accountants, assisted in the preparation of information contained in this Official Statement, and takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report.

All information has been obtained from sources which Donohue, Gironda, Doria & Tomkins, LLC, considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

NW Financial Group, LLC has not participated in the preparation of the financial or statistical information in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

GluckWalrath LLP has not participated in the preparation of the financial or statistical information in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

FINANCIAL STATEMENTS

The comparative balance sheets – regulatory basis of the various funds of the City as of and for the years ended December 31, 2015 and 2014, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, and the related statement of changes in Fund Balance – regulatory basis, of the General Capital Fund, for the years then ended, together with the related Notes to the Financial Statements for the years then ended, are presented in <u>Appendix B</u> to the Official Statement. The financial statements referred to above have been audited by Donohue, Gironda, Doria & Tomkins, LLC, Bayonne, New Jersey, independent auditor, as stated in its report appearing in <u>Appendix B</u>.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to Donna L. Mauer, CMFO, Chief Financial Officer, City of Jersey City, 280 Grove Street, Jersey City, New Jersey 07302, (201) 547-5042.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds and the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the City since the date thereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly approved, executed and delivered by the City.

THE CITY OF JERSEY CITY

By:______________________________
Robert J. Kakoleski, Business Administrator

By:______________________________
Donna Mauer, Chief Financial Officer

Dated: November __, 2016

APPENDIX A

CERTAIN INFORMATION REGARDING THE CITY OF JERSEY CITY

THE CITY OF JERSEY CITY

The legislative power of the City of Jersey City (the "City") is vested in the Municipal Council (the "Council"), which is composed of nine members, six of whom are elected from the City's six wards and three of whom are elected at large. The Council meets regularly and operates in accordance with the Optional Municipal Form of Government, Section 40:69A-1 *et seq.*, of the New Jersey statutes. The Council members serve four-year terms beginning on the first day of July following their election. Their current term commenced July 1, 2013. The current members of the Council, their titles and the date they first took office are shown on the following table:

MUNICIPAL COUNCIL

Name	Title	Date First In Office
Rolando R. Lavarro	Council President	November 14, 2011
Daniel Rivera	Councilman-at-Large	July 1, 2013
Joyce Watterman	Councilwoman-at-Large	July 1, 2013
Frank Gajewski	Ward A Councilman	July 1, 2013
John J. Hallanan III	Ward B Councilman	June 2, 2016
Richard Boggiano	Ward C Councilman	July 1, 2013
Michael Yun	Ward D Councilman	July 1, 2013
Candice Osborne	Ward E Councilwoman	July 1, 2013
Diane Coleman	Ward F Councilwoman	November 28, 2012

On January 12, 2016, the Municipal Council adopted an ordinance authorizing a binding referendum at the November 2016 general election on the question of amending the City's charter to provide for the holding of its municipal elections on the same dates as the November general elections. If the voters approve such referendum, the next election for Mayor and Council would take place in November 2017 and the current terms of office would be extended from June 30, 2017 to December 31, 2017, with the new four-year terms beginning on January 1, 2018.

The executive power of the City is exercised by the Mayor, who is responsible for administering the charter and ordinances and general laws of the City. The Mayor is responsible for preparing and administering the City's annual expense and capital budgets. The Mayor supervises all of the departments in the City and reports annually to the Council and the public the results of the previous year's operations. The Mayor has the power to approve ordinances adopted by the Council or to return them to the Council with a statement of his objections. A vote by two-thirds of the members of the Council may override the Mayor's veto. The Mayor may attend meetings of the Council and may take part in discussions. The Mayor has no vote in the proceedings of the Council except to fill a vacancy in the Council, in which case he may cast the deciding vote. The Mayor appoints the Business Administrator and the Directors of nine City departments with the advice and consent of the Council. In the event that the Mayor is unable to fulfill his responsibilities under the applicable provisions of the New Jersey Statutes and the Jersey City Charter, the Council is required to appoint a Mayor to serve until the next election. There are no term limits for the office of Mayor or for any Council member.

Administration

Following are biographical sketches of the City officials with responsibility for financial management:

STEVEN M. FULOP, Mayor

Steven Michael Fulop, a democrat, is the 49th and current Mayor of Jersey City, New Jersey. He is the youngest mayor in the country of a city with a population larger than 250,000. Mayor Fulop was elected Mayor on May 14, 2013, defeating a three term incumbent mayor and the political establishment. Prior to serving as Mayor, Steven Fulop served as the Ward E Councilman of the City for eight years.

A first generation American, Mayor Fulop grew up in an immigrant family in Edison, New Jersey. His father owned a delicatessen in Newark, where Mayor Fulop often worked. His mother, the daughter of Holocaust survivors, worked in an immigration services office helping others gain citizenship.

Mayor Fulop graduated from Binghamton University in 1999, and in 2006 completed both his Masters in Business Administration at the New York University Stern School of Business and his Masters in Public Administration at Columbia University School of International and Public Affairs (SIPA). While attending Binghamton University, he spent time abroad studying at Oxford University in England.

Upon graduating from college, Mayor Fulop joined Goldman Sachs. After working in financial services for several years and seeing first hand the effects of the September 11 attacks, he decided to put his career at Goldman Sachs on hold and join the United States Marine Corps. Shortly after completion of Marine Corps boot camp on January 14, 2003, Mayor Fulop was deployed to Iraq, where he served as part of the 6th Engineer Support Battalion. He and his unit were recipients of numerous awards and recognition for service including the Overseas Service Ribbon, Meritorious Masts, and the Presidential Unit Citation.

Currently, Mayor Fulop is a trustee of the Liberty Science Center, and previously served on the Board of Directors for the Columbia University Alumni Association and the board for the Learning Community Charter School. He is an avid tri-athlete completing the 2012 NY Ironman Championship in less than 12 hours.

ROBERT J. KAKOLESKI, Business Administrator

Robert J. Kakoleski was named Acting Director of the Department of Administration on August 1, 2013. Mr. Kakoleski received a Masters of Public Administration degree in 2002 from Fairleigh Dickinson University. He also earned his bachelor's degree from Rutgers University. Mr. Kakoleski worked for more than 16 years as the Jersey City Police Department's fiscal officer, deputy director and department director. He became Assistant Business Administrator for the City in 2004 and named the City's budget director in 2010. Mr. Kakoleski is also a New Jersey Certified Municipal Finance Officer and he has completed a certification program in labor relations at Rutgers University. On March 26, 2014, the Mayor appointed Mr. Kakoleski as Business Administrator of the City.

MARK ALBIEZ, Mayor's Chief of Staff

Mark Albiez began his career in public service in 2003 as Program Coordinator with the Jersey City Department of Recreation, where he was responsible for overseeing various recreational programs and grant writing for the department.

In 2008, Mr. Albiez was named the Chief of Staff to New Jersey Assemblyman Ruben Ramos, Jr. (January of 2008 – December of 2011) then began working for State Senator Brian P. Stack (January of 2009 – July of 2014) in the same role, directing the daily functions of both offices, which operated in a joint capacity, focusing on constituent services, drafting of legislation, legislative processes, and interaction with government offices, public agencies and members of the media. Mr. Albiez was then employed as Deputy Director of the Union City Department of Recreation, Parks and Public Property (January of 2012 – July of 2014), advancing the creation and refurbishment of parks and recreational facilities and securing funding streams for respective projects.

Mr. Albiez joined the administration of Jersey City Mayor Steven Fulop in July of 2014 and was appointed as Chief of Staff. Mr. Albiez earned a degree in Bachelor of Arts in Philosophy from Rutgers University, New Brunswick.

JEREMY A. FARRELL, ESQ., Corporation Counsel

On July 1, 2013, Jeremy A. Farrell was appointed Corporation Counsel for the City. Mr. Farrell heads the Department of Law, which represents the City in all legal matters and advises the Mayor and City Council on policy initiatives.

Mr. Farrell is a 2003 graduate of McGill University where he received a Bachelor of Arts degree in Political Science and International Development. He received his Juris Doctorate from Seton Hall University

School of Law in 2007. While attending Seton Hall Law School, Mr. Farrell was a Chancellor Scholar and Distinguished Scholar. He also served as a member of the Seton Hall Sports and Entertainment Law Journal and a Student Bar Association Senator.

Upon graduating from law school in 2007, Mr. Farrell joined McElroy, Deutsch, Mulvaney & Carpenter, LLP ("McElroy"), one of New Jersey's prominent law firms. In 2008, he left McElroy to serve as Judicial Law Clerk to the Honorable Dennis M. Cavanaugh, United States District Judge for the District of New Jersey. He returned to the firm in the fall of 2009. At McElroy, Mr. Farrell practiced Commercial Litigation, Municipal Law, Condemnation Law, Construction Litigation, and Bankruptcy.

ANTHONY CRUZ, Director of Housing, Economic Development and Commerce

Mr. Cruz worked for a planning and designing firm, SAM Inc., in the mid 1980's and left the firm to start a career in government in 1992. That year he was appointed by the Hudson County Executive as the Director of Constituent Services for the County of Hudson where he was responsible for building partnerships with non-profit organizations. In 2000, Mr. Cruz became a Special Projects Manager for United States Senator Jon Corzine where he worked on Police/ Fire Grants and Environmental issues. He left the State to become a Senior Advisor and Deputy Mayor under the late Mayor Glenn D. Cunningham. Mr. Cruz was also responsible for running a state funded program that helped homeowners rehabilitate their homes and started the largest Special Improvement District in the City. On March 26, 2014, Mr. Cruz was appointed Director of Housing, Economic Development and Commerce.

DONNA MAUER, Chief Financial Officer

Donna Mauer holds a B.S. in Business Administration from New Jersey City University and a Masters of Public Administration from Fairleigh Dickinson University. She started employment with the Department of Finance of the City in 1987. Since that time, she held various positions, including Assistant Budget Officer. On December 14, 2005, Ms. Mauer was appointed Chief Financial Officer and reappointed on December 17, 2008 and acquired tenure in the position on January 1, 2009.

City Employees

As of December 31, 2015, the City had 2,729 employees. The following table shows a breakdown of the City's employees over the past five years:

CITY EMPLOYEES

	Permanent	Temporary	Grants/ Enterprise Fund	Water Utility	Total[1]
December 31, 2015	2,581	76	67	5	2,729
December 31, 2014	2,392	70	34	6	2,502
December 31, 2013	2,381	68	55	6	2,510
December 31, 2012	2,408	41	33	7	2,489
December 31, 2011	2,411	22	43	8	2,484

(1) Total does not include Seasonal Employees

Approximately 2,256 of the City's employees are represented by one of 9 different bargaining units. The New Jersey Public Employee Relations Act, as amended, specifies a negotiation and advisory fact finding process (civilian unions) or interest arbitration (uniformed service unions) in the event of a negotiations impasse. The major public employee unions of the City are set forth below with a description of each:

LOCAL 1064 represent approximately one hundred fifty six (156) fire officers in the rank of Captain, Battalion Chief and Deputy Chief. A new four (4) year collective bargaining agreement was reached in March 2013 for the period January 1, 2013 to December 31, 2016. The basic financial terms were as follows: January 2013 – 0%; July 2013 – 2.5%; January 2014 2.15%; January 2015 – 2.25%; January 2016 – 1.95%.

LOCAL 1066 represent approximately four hundred and two (402) fire fighters. A new collective bargaining agreement was reached. The basic financial terms were January 1, 2016 – 1.95%, January 1, 2017 – 1.5%, April 1. 2018 – 1.5%; June 1, 2019 – 1.5%

THE POLICE SUPERIOR OFFICERS' ASSOCIATION represents approximately one hundred forty seven (147) Superior Officers in the rank of Sergeant, Lieutenant, Captain and Inspector. A new four (4) year collective bargaining agreement was reached in March 2013 for the period January 1, 2013 to December 31, 2016. The basic financial terms were as follows: January 2013 – 0%; July 2013 – 2.5%; January 2014 2.15%; January 2015 – 2.25%; January 2016 – 1.95%.

THE POLICE OFFICERS' BENEVOLENT ASSOCIATION represents approximately six hundred and forty eight (648) Police Officers and Detectives below the rank of Sergeant. A new four (4) year collective bargaining agreement was reached in March 2013 for the period January 1, 2013 to December 31, 2016. The basic financial terms were as follows: January 2013 – 0%; July 2013 – 2.5%; January 2014 2.3%; January 2015 – 2.25%; January 2016 – 1.95%. The contract also included the lowering of the starting salary for new hires and other significant reduction in benefits for additional cost savings.

JERSEY CITY SCHOOL TRAFFIC GUARDS ASSOCIATION represents approximately two hundred (200) employees who tend the crosswalks near elementary schools in the City to safely assist children. A successor agreement was reached October 2013 for a four (4) year January 1, 2012 to December 31, 2015. The basic financial terms were as follows: January 2012 – 3.5%; January 2013 – 3.25%; January 2014 – 2.75%; January 2015 – 2.25%. Also, new crossing guard hires will no longer receive medical benefits. There are no changes to date. Negotiations have not yet begun.

JERSEY CITY SUPERVISORS' ASSOCIATION represents approximately eighty five (85) civilian Supervisors holding titles above the rank of "foreman", but below the level of Division Head. A new three and half year contract was ratified by the City Council May 2013. The agreement calls for the following salary increases: effective July 1, 2011 - $0; January 1, 2012 - $0; April 1, 2012 - $1,350; January 1, 2013 - $1,400 and January 1, 2014 - $1,500. Negotiations are currently ongoing.

JERSEY CITY PUBLIC EMPLOYEES, LOCAL 245, represents approximately one hundred thirty seven (137) foremen and their subordinates, in the Department of Public Works and the Department of Recreation. A new three and half year contract was ratified by the City Council May 2013. The agreement calls for the following salary increases: effective July 1, 2011 - $350; January 1, 2012 - $1,000; January 1, 2013 - $1,000 and January 1, 2014 - $1,000. Negotiations are currently ongoing.

JERSEY CITY PUBLIC EMPLOYEES, LOCAL 246, represents approximately four hundred eighty (480) employees who are subordinate to Supervisors in the Mayor's Office, the Department of Administration, the Department of Finance, the Department of Law, the Department of Health and Human Services, and the Department of Housing, Economic Development and Commerce, the Office of the City Clerk, the Office of the Tax Assessor, the Department of Fire (non-uniformed) and the Department of Public Safety (non-uniformed). A new three and half year contract was ratified by the City Council in May 2013. The agreement calls for the following salary increases: effective July 1, 2011 - $0; January 1, 2012 - $0; April 1, 2012 - $1,000; January 1, 2013 - $1,000 and January 1, 2014 - $1,250. Negotiations are currently ongoing.

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 68-68A-68B, AFL-CIO represents three (3) employees holding titles of boiler operators or chief engineer. A new three and half year contract was ratified by the City Council May 2013. The agreement calls for the following salary increases: effective July 1, 2012 - $0; January 1, 2013 - $0; April 1, 2013 - $1,350; January 1, 2014 - $1,400 and January 1, 2015 - $1,500. There are no changes to date.

The Jersey City Public Schools

The public school system of the City, the second largest school district in the State, served a total enrollment of approximately 27,794 students for school fiscal year 2015-16. The system employs professional and non-professional personnel, including teacher's aides. The student population is provided with a comprehensive school program including college preparatory programs, vocational training and special education classes housed in regular elementary and secondary schools. In school fiscal year 2015-16, the school district had 4,624 full-time employees. The school system currently includes 25 elementary schools, four middle schools, eight high schools, one regional day, one adult education school and 40 childcare sites.

Since October 1989, the school system has been operated by the State of New Jersey pursuant to the New Jersey Public School Education Act of 1975, as amended, N.J.S.A. 18A:7A-1 *et seq.* The Commissioner of Education appointed a State Superintendent to manage the district.

The State-operated school district enabling legislation, N.J.S.A. 18A:7A-34 *et seq.*, makes provision for the City to provide moneys to the State-operated school district for the payment of operating expenditures. Chapter 139 of the Pamphlet Laws of 1991 provided a mechanism similar to the pre-existing one for the authorization and issuance of school promissory notes and school serial bonds by the City secured by the power and authority of the City to levy ad valorem real property taxes. The Capital Project Control Board of the City's Public Schools has the authority to review and recommend the necessity for capital projects proposed by the Superintendent. Following the adoption of a resolution by the Capital Project Control Board, the Municipal Council of the City shall consider a School bond ordinance. The State, by the takeover of the school system in the City, has not affected, modified or impaired the authority or the obligation of the City for the levy and collection of sufficient real property taxes to pay the interest and principal on outstanding school debt.

Related Authorities and Functions

Sewer services are provided to the City through the Jersey City Municipal Utilities Authority (the "JCMUA") and solid waste disposal is provided by the Jersey City Incinerator Authority (the "JCIA"). On December 10, 1997, the Jersey City Sewerage Authority was reorganized to form the JCMUA. On January 15, 1998, the City and the JCMUA executed a Franchise and Service Agreement pursuant to which the JCMUA assumed operation of the City's Water Utility until January 31, 2008. In May 2003, the City and the JCMUA executed an amended and restated franchise and service agreement pursuant to which the JCMUA's obligations to operate the City's Water Utility was extended through March 31, 2028. See "Jersey City Municipal Utilities Authority" and "The Jersey City Incinerator Authority" under "CITY INDEBTEDNESS AND DEBT LIMITS – Other City-Related Obligations" herein.

City Budget Requirements - General

State law imposes specific budgetary procedures upon local government units such as the City. Pursuant to the Local Budget Law, the City is required to have an operating budget, which provides for sufficient cash collections to pay all debt service and operating costs during the fiscal year and, in addition, provide for any statutory and mandatory payments, such as pension and insurance costs, required to be made during the fiscal year.

The City's operating budget must be in the form required by the Division of Local Government Services in the Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are statutorily regulated and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget by the Council. The Director is required to review the adequacy of such appropriations for certification. The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review, which focuses on anticipated revenues, is intended to insure revenues are sufficient to pay expenses.

The Business Administrator and Budget Director prepare the Municipal Budget of the City for the Mayor. During the month of November, all department heads are required to submit requests for appropriations for the next budget year and appear before the Business Administrator, the Budget Director and the Council at public hearings to explain their departmental requests. The Mayor then submits his recommended budget to the Council. The Council may reduce any item or items in the budget by a majority vote but may increase any item or items only upon an affirmative vote of two-thirds of the members of the Council. After the budget is introduced, it may be approved on first reading by majority vote of the Council. After the Council approves the budget, it is submitted to the Director for approval and advertised. A public hearing is held. Upon completion of the public hearing, the budget is adopted by the Council and submitted to the Division for certification.

The City has transitioned from a State fiscal year to a calendar fiscal year. Under State law, the City is required to have a budget adopted by March 20, although the Director, with the approval of the Local Finance Board, may extend this date and the Municipal Council may adopt the budget within ten days after the Director shall have certified his approval thereof pursuant to N.J.S.A. 40A:4-5.1. For Calendar Year 2012, the budget was introduced on February 22, 2012 and adopted on July 31, 2012. For Calendar Year 2013, the budget was introduced on February 27, 2013 and adopted on July 17, 2013. For Calendar Year 2014, the budget was introduced on March 12, 2014 and adopted on September 23, 2014. For Calendar Year 2015, the budget was introduced on March 11, 2015 and adopted on July 28, 2015. For Calendar Year 2016, the budget was introduced on February 24, 2016 and adopted on July 20, 2016.

Prior to formal budget adoption, the City uses a temporary operating budget to guide expenditures. Temporary appropriations may be made pursuant to N.J.S.A. 40A:4-19.1 and, in addition, emergency temporary appropriations may be made pursuant to N.J.S.A. 40A:4-20. The City's budget for the first quarter of its calendar year (January 1 through March 31) is equal to one-fourth of the annual budget for the preceding calendar year. If a budget for a calendar year is not adopted by March 31, the City establishes periodic temporary budgets.

The monitoring of the budget is a continuous process, and encompasses financial controls in the areas of encumbrance of obligations and public contracts law. Under State law, expenditures cannot be made unless there is a certification as to availability of funds from the operating or capital budget. The budget is utilized throughout the operating year as a management tool and policy instrument representing the City's plan of action for the provision of services. Expenditures are monitored throughout the year and, two months before the end of the fiscal year, the budget may be amended to transfer expenditures from one line item to another. Emergency appropriations may be made to the extent revenues are insufficient to pay expenditures, with the amounts so appropriated raised in the succeeding fiscal year.

No local unit in New Jersey is permitted to issue long-term bonds for the payment of current expenses or to pay outstanding obligations (except for the refunding or repayment of successful real property tax appeals and certain statutorily authorized non-recurring expenses, which requires the approval of the Local Finance Board). Like other New Jersey municipalities, the City makes a major portion of its expenditures early in each year while receipts are heaviest late in the year. The City has managed this cash flow imbalance through temporary transfers from its capital and grant accounts, and restoring these funds by year end with the tax and State aid revenues received. A local unit may issue tax anticipation notes for the payment of current expenses under the Local Budget Law. The City has not issued tax anticipation notes since April 1991.

Public School Budgeting Process

Under the provisions of the New Jersey Public Education Act of 1975, as amended, the Superintendent of a State-operated school district, after preparation of and hearing on a proposed budget, is required to fix and determine the amount of money necessary to be appropriated for the school year and is required to certify the amounts to be raised by taxes. The City may appeal to the Commissioner of Education the amount determined necessary. The Commissioner, upon receipt of such appeal and completion of the hearing process, shall determine the amount necessary for the district to provide a thorough and efficient educational program including the implementation of the plan to correct deficiencies. The City may apply to the Director of the Division for a determination that the local share of revenues needed to support the district's budget results in an unreasonable tax burden. Based upon this review, the Director certifies the amount of revenues, which can be raised locally to support the budget of the State-operated district. Any difference between the amount which the Director certifies and the total amount of local revenues required by the budget approved by the Commissioner is paid by the State in the fiscal year in which the expenditures are made, subject to the availability of appropriations. The State supplemented the City's school tax revenues with $20,000,000 for the Fiscal Year 1999. Since Fiscal Year 2000, the State has not supplemented the City's school tax revenues.

Limitation on Expenditures

Section 40A:4-45.3 of the Local Budget Law, commonly known as the "Cap Law," as enacted provided that a municipality shall limit any increase in its operating budget to five percent or the calculated Index Rate, whichever is less, over the previous year's final appropriations, subject to certain exceptions. The Local Finance Board has the authority, under Section 40A:4-45.3 of the Local Budget Law, to grant additional exceptions to the Cap Law under certain circumstances. The Index Rate is defined as the annual percentage increase in the Implicit Price Deflator for State and Local Government Purchasers of Goods and Services produced by the United States Department of Commerce as announced by the Director. Municipalities may elect, upon adoption of an ordinance, to approve an increase in appropriations that is greater than the Index Rate, not to exceed five percent, when the Index Rate is less than five percent. Major exceptions not subject to the spending limitation include: capital expenditures and debt service; State and Federal appropriations; expenditures mandated as a consequence of certain public emergencies; certain expenditures mandated by law; cash deficits of the preceding year approved by the Local Finance Board; amounts required to be paid pursuant to any contract with respect to use, services or provision of any project, facility or public improvement for water, sewer, solid waste, parking, senior citizen housing or similar purpose, or payments on account of debt service therefor or lease payments as made with respect to a facility owned by a county improvement authority where such lease payments are a necessity to amortize debt of the authority; amounts expended to meet the standards established by the New Jersey Public Employees' Occupational Safety and Health Act; amounts appropriated for expenditures resulting from impact of a hazardous waste facility; any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor; expenditures for the cost of services mandated by any order of court, statute or administrative rule issued by a State agency which has identified such cost as mandated expenditures on certification to the Local Finance Board by the State agency; and amounts reserved for uncollected taxes. The "Cap Law" does not limit the obligation of the City to levy ad valorem taxes upon all taxable real property within the City to pay debt service.

On June 21, 2004, the Legislature enacted amendments to the "Cap Law", under which municipalities are required to limit any increase in its operating budget to 2.5% or the "cost-of-living adjustment" (formerly known as the "Index Rate"), whichever is less, over the previous year's final appropriations, subject to certain exceptions. Municipalities are permitted to elect, upon adoption of an ordinance, to approve an increase in appropriations that is greater than the cost-of-living adjustment, not to exceed 3.5%, when the cost-of-living adjustment is less than or equal to 2.5%. However, the amendment eliminates the existing option to exceed the current 5% increase, but not to exceed the Index Rate, when the Index Rate is greater than 5%. The amendment also eliminates certain of the exceptions to the spending limitation, including: amounts expended to meet the standards established by the New Jersey Public Employees' Occupational Safety and Health Act; amounts appropriated for expenditures resulting from the impact of a hazardous waste facility; amounts appropriated for the cost of administering a joint insurance fund; amounts appropriated for the cost of implementing an estimated tax billing system and the issuance of tax bills thereunder; and amounts expended to pay the salaries of police officers hired under the federal "Community Oriented Policing Services" program. The amendment also requires Local Finance Board approval to utilize existing exceptions for: expenditures of amounts actually realized in the local budget year from the sale of municipal assets; and expenditures related to the cost of conducting and implementing a total property tax levy sale. The exception for amounts expended for the staffing and operation of the municipal court was replaced with an exception for newly authorized operating appropriations for the municipal court or violations bureau when approved by the vicinage Presiding Judge of the Municipal Court after consultation with the mayor and governing body of the municipality.

The "Cap Law" is subject to frequent amendment by the Legislature. See "CITY REVENUES - Property Tax Reform" below.

Additionally, legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote in excess of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the City to levy ad valorem taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures, which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Anticipation of Real Estate Taxes

With regard to current taxes, Section 40A:4-41 of the Local Budget Law provides that "receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that the City establish a non-spending appropriation reserve for uncollected taxes in the current year as a percentage of the current levy equal to the percent uncollected of the prior year's levy. This additional amount must be added to the tax levy required in order to balance the budget.

Section 40A:4-29 of the Local Budget Law sets limits on the anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

The City school district and the County receive 100% of their tax levies, which are collected and paid to them by the City. As a result of the structure of the State's system of taxation, the City, along with other similarly situated municipalities, bears the full burden of the uncollected taxes.

Anticipation of Miscellaneous Revenues

Section 40A:4-26 of the Local Budget Law provides: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

Deferral of Current Expenses

Supplemental emergency appropriations may be authorized by the governing body of the City after the adoption of the budget and determination of the tax rate. However, with minor exceptions, such appropriations must be included in full in the following year's budget. Under Sections 40A:4-48 and 40A:4-49 of the Local Budget Law, any emergency appropriation must be declared by resolution according to the definition provided in Section 40A:4-46 of the Local Budget Law, approved by at least two-thirds of the governing body and must also be approved by the Director if all emergency appropriations made during the year exceeds 3% of the total current and utility operating appropriations in the budget for that year.

Protection of Municipal Funds and Investment Policy

The City complies with the State statutory and regulatory requirements for the deposit and investment of public monies. The City on a daily basis deposits cash receipts in institutions located in New Jersey which are approved by the State and are insured by the Federal Deposit Insurance Corporation or by other agencies of the United States (although the amount of the City's deposit may exceed the insurance coverage limits) or in the State of New Jersey Cash Management Fund. The Cash Management Fund, which was established in 1977, is a short-term investment pool for the State and its cities, towns and school districts. The investments held by the Cash Management Fund must have average maturities not exceeding one year. The types of investments are regulated by the State Investment Council. The regulations allow investment in repurchase agreements with the purchased securities held by a custodian. The regulations also permit reverse repurchase agreements; however, the proceeds are invested in the Cash Management Fund.

In addition to making deposits with the above described financial institutions, pursuant to N.J.S.A.40A:5-15.1, the City is permitted to purchase the following types of securities as investments:

1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America (Treasury Bills, notes and bonds).

2) U.S. Government money market funds.

3) Any obligation that a Federal agency or a Federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependable on any index or other external factor.

4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.

5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by The Department of Treasury, Division of Investments.

6) Local government investment pools, such as New Jersey Class, and the New Jersey Arbitrage Rebate Management Program.

7) Deposits with the State of New Jersey Cash Management Fund.

8) Repurchase agreements of fully collateralized securities, if:

   a) The underlying securities are permitted investments pursuant to N.J.S.A. 40A: 5-15.1;
   b) The custody of the collateral is transferred to a third party;
   c) The maturity of the agreement is not more than 30 days;
   d) The underlying securities are purchased through banks approved by the Department of Banking and Insurance under the Government Unit Depository Projection Act. ("GUDPA").
   e) A master repurchase agreement providing for the custody and security of the collateral is executed.

Compliance with the State statutes may not assure that the City's investments will have the liquidity, security or adequate deposit insurance to protect the City against all losses. For example, the relevant deposit statute, N.J.S.A.17:9-44, only requires public depository banks to maintain collateral for deposits of public funds exceeding insurance limits ($100,000) generally equal to five percent of the average daily balance of public funds. Additionally, the State has the power to require that all banks holding public funds contribute amounts sufficient to reimburse an eligible municipality if any bank holding public funds becomes insolvent. However, it is unclear how quickly other state-qualified depositories could act to reimburse an exposed municipality through the State supervised program which may result in limited liquidity and a shortage of cash for the City and other municipalities in the State. Furthermore, it is currently unclear whether the State of New Jersey Cash Management Fund could maintain sufficient liquidity during a period of economic stress if many municipalities including the City sought the immediate return of cash.

CITY INDEBTEDNESS AND DEBT LIMITS

State law regulates the issuance of debt by local government units. No local unit is permitted to issue bonds for the payment of current expenses or to pay outstanding obligations, except for, among certain other limited purposes, refunding purposes with the approval of the Local Finance Board. Like other New Jersey municipalities, the City makes a major portion of expenditures early in each year while receipts are heaviest late in the year. Historically, the City has managed this cash flow imbalance through temporary transfers from its capital and grant accounts and restores these funds with the tax and State aid revenues received by year-end. The City also has options, which it may exercise to reduce, defer or fund appropriations remaining at the end of a fiscal year for which insufficient cash is available. The Local Budget Law empowers the City to issue, but limits the amount of, tax anticipation notes ("TANs") that may be issued and requires the repayment of such notes within four months of the end of the fiscal year in which issued. The City has not issued TANs since April 1, 1991.

Debt Limits

State statutes set forth debt limits for counties and municipalities. The City's net debt is limited by the Local Bond Law to an amount equal to 3.50% of its average equalized valuation basis. The average equalized valuation basis of the City is set by statute as the average for the last three preceding years of the sum total of (a) the aggregate equalized valuation of real property together with improvements and (b) the assessed valuation of Class II railroad property within its boundaries as annually determined by the State Board of Taxation. See "CITY REVENUES – Equalization Rate and Tax Collection Rates" herein for a discussion of the City's assessed valuations. The debt limit pursuant to Title 18A of the New Jersey Statutes for the City school district, a Type I district of the first class, is 8% of such average valuation basis. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. Pursuant to law, the City has deducted the amount of authorized school debt.

Exception to Debt Limit - Extensions of Credit

The debt limit of the City may be exceeded only with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. An extension of credit may be granted based on a formula tied to the annual retirement of principal or need to protect the health, welfare or safety of the residents in a municipality. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations. If the Local Finance Board determines pursuant to statute and regulation that a proposed debt authorization would materially impair the ability of the City to meet its obligations or to provide essential services, approval is denied.

In calendar years ending December 31, 2013, December 31, 2014 and December 31, 2015, total debt as a percentage of the equalized value of the City was 2.60%, 2.59% and 2.26%, respectively.

State law permits the City school district acting through the Municipal Council to authorize debt in excess of its individual debt limit. It does so by using the borrowing capacity of the City for school purposes after the school debt margin has been exhausted. The Local Finance Board is involved only if the proposed debt authorization exceeds the debt limit of both the City and the City school district.

Exception to Debt Limit - Real Property Tax Appeal Refunding Notes

The City revalued the real property located in the City in 1988. See "CITY REVENUES -- Equalization Rate and Tax Collection Rates". After the revaluation, the number of tax appeals increased substantially. In order to file a tax appeal, a property owner must first pay the taxes that are owed. If the appeal is successful, the taxes are then refunded to the owner. The refund may occur in a fiscal year subsequent to the fiscal year in which the owner paid the taxes. Because of the magnitude of the tax appeals and the amount that was required to be refunded, the Local Finance Board and the Municipal Council have allowed the City to issue tax refunding obligations to finance the tax refunds. The tax refunding obligations issued to date are one-year notes, renewable annually for five to seven years after their date of issuance, with the amortization schedule approved by the Local Finance Board. As of December 31, 2015, $2,738,740 principal amount of real property tax appeal refunding notes were outstanding.

Debt Statements

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization. Before the end of the first month of each fiscal year, the City must file an Annual Debt Statement as of the last day of the preceding fiscal year with the Division. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

In calculating the debt limit, the City is allowed to deduct certain types of debt. Deductions from gross debt are allowed for school purposes of an amount equal to 8% of average equalized valuations and for any additional State School Building Aid Bonds authorized (P.L. 1968, c. 177, as amended P.L. 1971, c. 10, as amended and P.L. 1978, c. 74). The deduction from municipal gross debt includes bonds issued and bonds authorized but not issued to meet cash grants-in-aid for a housing authority, redevelopment agency or municipality acting as its local redevelopment entity (Section 40A:12A-37(d) of the Local Redevelopment and Housing Law) and funds in hand (including proceeds of bonds held to pay other bonds).

The following table sets forth the amount of debt that the City has outstanding, authorized but not yet issued as well as deductions for each purpose (school, municipal and water) and the amount of debt that the City has authorized for each purpose but has not yet incurred. In addition, the table sets forth the amount of debt that has been issued by public bodies but that the City is or may be responsible for paying. See "Other City-Related Indebtedness". The table then sets forth the amount of the debt that, pursuant to State law, is excluded from the calculation of the debt limitations imposed on the City. Such deductions include debt for school purposes (a portion of which are subject to their own debt limitation), debt for the water utility because it operates on a self-liquidating basis, refunding debt, debt issued in anticipation of grants and bonds issued by public entities (even though the City may be responsible for all or a portion of the debt service on such debt). As shown in the table, although the City's gross debt as of December 31, 2015 was $775,072,007, only $450,883,637 of that debt is included for purposes of calculating the debt limitation on the City.

The table also shows the statutory net debt as a percentage of the average equalized value of property in the City (the average calculated for the past three years). See "CITY REVENUES - Real Estate Tax" herein. In addition to the debt detailed on this table, since 1990 the City has issued real property tax appeal refunding notes in each year. Prior to February 3, 2003, such real property tax appeal refunding notes were not included in the City's debt statements. After that date, newly authorized real property tax appeal refunding notes are included in gross debt, but are deducted in calculating net debt. See "Exception to Debt Limit – Real Property Tax Appeal Refunding Notes" herein.

Annual Debt Statement
As of December 31, 2015

Gross Debt:		
School Purposes:		
Issued and Outstanding:		
Bonds	$39,510,000	
Authorized But Not Issued	4,265,245	
Total School		$43,775,245
Municipal Purposes:		
Issued and Outstanding:		
Bonds	466,050,950	
Notes	20,199,102	
Green Trust Loan	1,159,954	
Hudson County Improvement Authority		
Pooled Loan and Notes	17,665,000	
Refunding Tax Appeal Notes	2,738,740	
Authorized But Not Issued	24,319,635	
Total Municipal		532,133,381
Issued by Public Bodies Guaranteed by the Municipality:		
Jersey City Municipal Utilities Authority		199,163,381
Total Gross Debt		$775,072,007
Statutory Deductions:		
For School Purposes - Statutory 8%	43,775,245	
For Jersey City Municipal Utilities Authority - Water	38,736,004	
For ERI Pension Refunding	39,775,000	
For Bonds Issued by Public Bodies		
Guaranteed by the Municipality	199,163,381	
For Refunding Tax Appeal Notes	2,738,740	
Statutory Deductions		324,188,370
Statutory Net Debt		$450,883,637
Statutory Net Debt Percentage		2.258%

Source: Derived from the Annual Debt Statement of the City for Calendar Year 2015.

The following table summarizes the information included in the preceding table, and shows, among other things, the gross debt outstanding for each purpose, the amount of such debt allowed under State law to be excluded from the calculation of the debt limitation and the statutory net debt.

Statutory Debt as of December 31, 2015

	Gross Debt	Deductions	Net Debt
School Purposes	$ 43,775,245	$ 43,775,245	$ -0-
Municipal Purposes	532,133,381	81,249,744	450,883,637
Other Public Bodies Guaranteed by City	199,163,381	199,163,381	-0-
Total	$ 775,072,007	$ 324,188,370	$ 450,883,637

Average Equalized Valuation of Real Property (Yrs. 2013-2015)	$19,967,470,207
Statutory Net Debt	2.258%
Debt Limitation Per N.J.S.A. 40A:2-6 (Municipalities – 3.50% of Three Year Average Equalized Valuation)	698,861,457
Total Net Debt	450,883,637
Remaining Net Debt Capacity	$ 247,977,820

Source: Derived from the Annual Debt Statement of the City for Calendar Year 2015.

The table below outlines the total debt of the City and sets forth the amount that the debt represents per capita for the last five years.

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Gross Debt(1)	$775,072,007	$844,917,507	$852,306,655	$896,400,051	$895,983,278
Net Debt Statutory(2)	450,883,637	482,163,575	475,739,968	488,571,624	480,337,407
Population(3)	247,597	247,597	247,597	247,597	247,597
Gross Debt per Capita	3,130	3,412	3,442	3,620	3,619
Net Debt per Capita	1,821	1,947	1,921	1,973	1,940
Net Debt - Statutory Percentages	2.26%	2.59%	2.60%	2.61%	2.37%

(1)(2) The figures representing Gross Debt and Net Debt Statutory are derived from the Annual Debt Statements of the City.

(3) Source: U.S. Department of Commerce, Bureau of the Census.

The following table lists the total bonded debt of the City for the last five years.

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Bonds:					
General	$437,405,950	$ 468,125,950	$ 460,262,950	$ 483,478,950	$ 475,839,950
School	39,510,000	47,130,000	55,220,000	64,445,000	73,570,000
Water	28,645,000	31,130,000	34,450,000	37,425,000	41,187,000
Other	199,163,381	208,862,507	206,156,132	222,200,627	208,700,000
Total Outstanding Bonds	704,724,331	755,298,457	756,089,082	807,549,577	799,296,950
Notes:					
General	40,602,842	33,297,813	39,436,000	33,952,196	39,831,317
School	-0-	-0-	-0-	-0-	-0-
Water	-0-	-0-	-0-	-0-	-0-
Other (Loan)	1,159,954	1,622,571	2,083,185	2,541,842	2,998,575
Total Outstanding Notes	41,762,796	34,920,384	41,519,185	36,494,038	42,829,892
Total Bonds and Notes Issued and Outstanding	746,487,127	790,218,841	797,608,269	844,043,615	842,126,842
Bonds and Notes Authorized but Not Issued					
General	14,228,631	27,015,111	27,014,831	24,672,882	26,172,882
School	4,265,245	6,216,026	6,216,027	6,216,026	6,216,026
Water	10,091,004	21,467,528	21,467,528	21,467,528	21,467,528
Other	-0-	-0-	-0-	-0-	-0-
Total Bonds and Notes Authorized But Not Issued	28,584,880	54,698,665	54,698,386	52,356,436	53,856,436
Total Issued and Outstanding, and Authorized But Not Issued	$775,072,007	$ 844,917,506	$ 852,306,655	$ 896,400,051	$ 895,983,278

Source: Derived from the Annual Debt Statements of the City.

Included in the debt shown on this table are $2,738,740 of tax appeal refunding notes issued by the City and outstanding as of December 31, 2015. The following table sets forth the amount of tax appeal refunding notes that were issued and outstanding in each of the four years preceding such date.

Real Property Tax Appeal Refunding Notes Outstanding

Year	Amount Issued(1)	Balance end of year
December 31, 2015	$ -0-	$ 2,738,740
December 31, 2014	-0-	6,917,870
December 31, 2013	-0-	11,097,000
December 31, 2012	-0-	15,276,196
December 31, 2011	5,500,000	21,155,317

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City.
(1) These amounts do not include tax appeal refunding notes issued to refund prior issues of tax refunding notes.

The table below sets forth the total overlapping debt of the City for the last five years. The County of Hudson (the "County") debt overlap was 33.84% in 2015, 32.42% in 2014, 31.54% in 2013, 32.35% in 2012, and 32.99% in 2011. The overlap for all other debt was 100%. The City's percentage of overlap for County debt is determined by the State based on (i) the assessed value of Class II Railroad Property in the City and (ii) the true value of real property in the City. The sum of these two figures is used to calculate a percentage of the sum of the assessed value of Class II Railroad Property in the County, plus the true value of real property in the County. Overlapping debt is debt for which the City is not required to levy taxes.

Schedule of Overlapping Debt (1)

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Jersey City Municipal Utilities Authority(2)	$ 199,163,381	$ 208,862,507	$ 206,156,132	$ 222,200,627	$ 208,700,000
Hudson County(3)	420,990,123(4)	352,730,118(5)	346,822,019(6)	360,727,455(7)	360,456,212(8)
TOTAL	$ 620,153,504	$ 561,592,625	$ 552,978,151	$ 582,928,082	$ 569,156,212

Source: Derived from the Annual Debt Statements of the County and City.
(1) The outstanding debt of the Hudson County Utilities Authority, the Rockaway Valley Regional Sewerage Authority and the Hudson County Improvement Authority are not included (see further discussion herein).
2) The Jersey City Sewerage Authority was reorganized as the Jersey City Municipal Utilities Authority on January 15, 1998.
(3) Hudson County reports on a calendar year ending December 31.
(4) This figure represents 33,84% of the total County Gross Debt of $1,244,155,190
(5) This figure represents 32.42% of the total County Gross Debt of $1,088,024,659.
(6) This figure represents 31.54% of the total County Gross Debt of $1,099,534,929.
(7) This figure represents 32.35% of the total County Gross Debt of $1,114,984,494.
(8 This figure represents 32.99% of the total County Gross Debt of $1,092,729,443.

The table below lists the principal and interest repayment schedule on all outstanding bonds of the City from 2016 through 2040.

Combined Principal and Interest Repayment Schedule
Outstanding Bonds of the City
As of December 31, 2015

CALENDAR YEAR	COMBINED TOTAL	GENERAL	PENSION	WATER	SCHOOL
2016	$ 70,955,243	$ 50,148,009	$ 3,550,741	$ 3,895,052	$ 13,361,441
2017	66,050,993	49,942,127	3,711,710	5,291,337	7,105,818
2018	66,449,817	48,301,967	7,233,435	5,352,653	5,561,763
2019	66,366,361	53,242,453	3,880,375	3,986,770	5,256,763
2020	66,659,815	55,707,218	4,021,257	4,061,695	2,869,646
2021	66,447,670	55,957,370	4,166,738	3,534,715	2,788,848
2022	44,142,000	36,505,109	4,354,641	2,094,100	1,188,150
2023	32,666,490	26,039,504	4,630,161	807,275	1,189,550
2024	25,396,442	19,328,152	4,077,966	805,875	1,184,450
2025	20,372,783	17,216,557	1,498,789	475,013	1,182,425
2026	18,472,952	15,208,843	1,608,334	472,975	1,182,800
2027	18,612,703	15,235,857	1,728,871	470,575	1,177,400
2028	12,207,935	9,876,242	1,859,306	472,388	
2029	12,322,971	9,846,536	1,993,685	482,750	
2030	9,068,268	6,451,528	2,136,052	480,688	
2031	9,221,119	6,452,835	2,285,315	482,969	
2032	9,359,645	6,435,025	2,445,246	479,375	
2033	9,522,639	6,428,036	2,614,479	480,125	
2034	6,066,439	6,066,439			
2035	6,057,987	6,057,987			
2036	6,050,023	6,050,023			
2037	6,037,067	6,037,067			
2038	6,024,963	6,024,963			
2039	6,016,783	6,016,783			
2040	5,991,714	5,991,714			
TOTAL	$666,540,823	$530,568,344	$57,797,098	$34,126,328	$44,049,053

In addition to the debt service requirements on outstanding bonds, the City also pays debt service on notes, including real property tax appeal refunding notes. Notes generally mature within one year from their date of issuance. Notes, other than tax appeal refunding notes, may be renewed three times without principal payments and must then be amortized over a ten-year period (unless refunded by bonds). Generally, tax appeal refunding notes mature within one year from their date of issuance and may be renewed from three to seven times, with the amortization schedule approved by the Local Finance Board. The debt service payable on notes depends on the interest rate established upon the renewal of the notes. For Calendar Year 2011 the amount was $7,491,715, for Calendar Year 2012 the amount was $7,996,577, and for Calendar Year 2013 the amount was $5,543,710 and for Calendar Year 2014 the amount was $5,634,563. For Calendar Year 2015 the City budgeted $5,108,063 for debt service on the notes. For Calendar Year 2016, the City budgeted $6,928,999 for debt service on the notes.

Other City-Related Obligations

Rockaway Valley Regional Sewerage Authority. In compliance with a court decree, the City entered into an agreement, dated July 30, 1971, with the Rockaway Valley Regional Sewerage Authority ("RVRSA"), whereby the City agreed to share in the operating costs of the RVRSA which provides sewerage treatment services in the vicinity of the City's watershed properties. In 2013, 2014 and 2015, the JCMUA contributed $2,730,857.

Under the same agreement, the City is also required to pay a share of the capital and operating cost of construction of an advanced treatment sewerage facility, which the RVRSA has designed. Under the current plans, the cost of construction is estimated to be $60,000,000, less any federal funds, the amount of which is presently uncertain. Based upon the design capacity, the City will be responsible for 37 1/2% of the excess cost of financing construction over available federal funds. The amount of the City's contribution for the new facility is a portion of the City's share of the operating costs outlined in the immediately preceding paragraph. The RVRSA has permanently financed substantially all of the non-grant share of project costs with the sale of long-term tax-exempt bonds.

Jersey City Incinerator Authority. The City and the JCIA have entered into a Service Agreement pursuant to which the JCIA is responsible for the collection and disposal of all residential and municipal solid waste for the City, mechanical and manual street sweeping, cleaning of City owned lots, roll-off container service, recycling, demolition, and snow plowing, salting and snow removal. The City does not provide other disposal services. The JCIA does not collect service fees from individual property owners.

The City appropriated $26,300,000 in Calendar Year 2011, $31,300,000 in Calendar Year 2012, $33,993,916 in Calendar Year 2013, $34,600,000 in Calendar Year 2014 and $37,100,000 in Calendar Year 2015 to the JCIA.

On October 14, 2015, the City adopted an ordinance dissolving the JCIA and assigning its powers to City departments. The JCIA was officially dissolved April 1, 2016. The City has merged all of the responsibilities of the JCIA into the City Department of Public Works without interruption of services. As the JCIA annual budget was approximately 95% funded by City appropriations, the dissolution is not expected to have any material impact on the financial strength of the City.

Jersey City Municipal Utilities Authority. The JCMUA, formerly the Jersey City Sewerage Authority, is responsible for the construction and operation of two pumping stations, at which sewage collected from the City and portions of the City of Union City is pumped to the secondary sewage treatment plant of the Passaic Valley Sewerage Commissioners ("PVSC") at Newark, New Jersey. The JCMUA formerly operated primary sewage treatment plants at the sites of the pumping stations. The Passaic Valley Connection Project, consisting of the pumping stations and connecting sewer lines, was commenced in 1985 and completed in 1989, using certain federal and state grants and funds of the JCMUA, for which the JCMUA issued its bonds. The City of Bayonne and the Town of Kearny each, separately, sought and obtained permission to hook up their own sewage transmission lines to a portion of the JCMUA 's lines, and have agreed to share the costs of the common portions used by them.

The indebtedness of the JCMUA as of December 31, 2015 was $199,163,381. The JCMUA imposes user charges on all sewer users in its service area, at the rate of $5.64 per 100 cubic feet of water consumption. The JCMUA imposes user charges on all water users in its service area, at the rate of $4.14 per 100 cubic feet of water consumption. From its user charge revenues, the JCMUA is required to pay its debt service costs and operating costs of the pumping stations and collector system. The JCMUA also pays, from user charges, operating charges of PVSC which are the obligation of the City.

Pursuant to a Sewer Service Contract between the City and the JCMUA, dated as of December 1, 1985 (the "Sewer Service Agreement"), the City is obligated to pay to the JCMUA any amounts by which the JCMUA's sewer operating expenses and amounts required to be paid or set aside under the JCMUA's bond resolution for its sewer bonds exceed the JCMUA's revenues from user charges. The JCMUA is obligated to increase user charges in future years to make up any such deficiency, and to pay back sums advanced by the City under the Service Contract. No payments by the City have been required since the execution of the Sewer Service Contract.

The Municipal Council adopted an ordinance on December 10, 1997 to reorganize the Sewerage Authority as the JCMUA. The JCMUA and the City initially entered into a water services franchise and service agreement on April 1, 1998 (the "Initial Water Franchise Agreement") pursuant to which a) the JCMUA obtained a franchise from the City to operate the City's Water System for a ten year period which was to terminate on March 31, 2008 and b) the City agreed to provide security for the holders of the obligations of the JCMUA related to the Water System.

The JCMUA and the City agreed in the Amended and Restated Water Services Franchise and Service Agreement dated as of May 1, 2003 (the "2003 Amended Water Franchise Agreement") to: a) provide for the acquisition by the JCMUA from the City of an extension of the franchise granted under the Initial Water Franchise Agreement, in order to operate the Water System through March 31, 2028 (the "2003 Project") and b) provide for the City to continue to provide security to the holders of obligations of the JCMUA which are issued for or with respect to the Water System for the extended franchise period.

In September 2005, the City and the JCMUA entered into the 2005 Amended and Restated Water Services Franchise and Service Agreement (the "2005 Amended Agreement" and together with the Initial Franchise Agreement and the 2003 Amended Water Franchise Agreement, the "Water Franchise Agreement") to reflect a payment schedule for the cost of acquiring the City's water franchise that more accurately reflects the projected availability of revenues to the JCMUA. Pursuant to the Water Franchise Agreement, the JCMUA has agreed to pay the City certain amounts annually from January 1, 2005 to December 31, 2027 for the rights to such franchise, and the City has agreed to convey such franchise rights to the JCMUA and to provide for the payment annually, if necessary, of any deficiencies in Water Revenues of the JCMUA in connection with the Water System. As required by the Water Franchise Agreement, the City, by ordinance adopted on September 14, 2005, consented to the JCMUA's issuance of $17,000,000 Water Revenue Refunding Bonds on December 13, 2005, which are secured by the provisions of the Water Franchise Agreement and the Sewer Service Contract.

The Water Franchise Agreement is subject to the existing private management operating agreement in effect between the City and United Water Resources executed in 1996.

Under the Water Franchise Agreement, the City will continue to authorize indebtedness for necessary water capital improvements and the JCMUA will continue to be responsible to reimburse the City for debt service on this indebtedness. The City will also continue its obligation to make payments of any necessary annual charges or deficiency payments in the event the JCMUA does not collect sufficient revenues in any year to provide for the expenses of operation of the Water System, to maintain required reserves, and to pay annual water related debt service when due. Since 1998, the City has not been required to make any annual payment to the JCMUA under the Water Franchise Agreement. The JCMUA has taken a number of financial measures to assure that it can meet all of its operations, maintenance and debt service obligations, including required payments to the City pursuant to the Water Franchise Agreement. These measures include (i) the provision of necessary improvements from time to time to the water and sewer system, (ii) the amendment of the Water Franchise Agreement in order to reschedule the annual payments to the City to more accurately match the revenues projected to be generated by the JCMUA during the life of the Water Franchise Agreement, which runs through December 31, 2027, (iii) a rate increase of 15% effective July 1, 2005, (iv) the approval by the JCMUA of annual CPI rate increases, and (v) the restructuring of certain outstanding water and sewer system debt of the Authority based upon the projected revenues once the rate increases are in effect and the financial measures implemented.

Jersey City Medical Center. The Jersey City Medical Center is a voluntary not-for-profit hospital independent of the City. Previously, the Medical Center had been a public hospital.

The City contributed $12 million for the construction cost of a new hospital facility in the Liberty Harbor North Redevelopment Area to replace the old Medical Center's buildings. The new building started operation on May 15, 2004.

The County of Hudson

The City is located in the County and, in accordance with the regulations governing financial reporting for New Jersey Municipalities, a pro rata share of certain direct debt of the County is treated as "Overlapping Debt" of the City for financial reporting purposes. See "Schedule of Overlapping Debt" herein.

The County issues its bonds and notes for the financing of capital projects of the County, including County roads, buildings, parks and educational facilities. Major facilities of the County that were financed in recent years include a golf course and administration building. In addition, the County guarantees certain of the debt of the Hudson County Improvement Authority.

The gross debt of the County as of December 31, 2015 was $1,244,155,190 and its net statutory debt was $554,269,927.

Municipal Qualified Bond Act

In addition to being secured by the pledge of the City's full faith and credit, certain bonds of the City are entitled to the benefits of the Municipal Qualified Bond Act, Title 40A of the New Jersey Statutes, Section 40A:3-1, et seq., as amended (the "Municipal Qualified Bond Act"). Pursuant to the Municipal Qualified Bond Act, a portion of certain State aid allocated to the City, in amounts sufficient to pay debt service on such bonds, is to be withheld by the State Treasurer and forwarded to the paying agent on or before the principal and interest payment dates for such bonds for deposit into accounts established for the purpose of paying debt service on such bonds.

Pursuant to the provisions of the Municipal Qualified Bond Act, the City shall certify to the State Treasurer the name and address of the paying agent, maturity schedule, interest rate or rates and dates of payment of debt service on any Qualified Bonds within ten days after the issuance thereof. After receipt of such certificate, the State Treasurer is required to withhold with respect to such bonds from the amount of business personal property tax replacement revenues, gross receipts tax revenues (now known as "energy receipts" tax revenues), municipal purposes tax assistance fund distributions and certain other funds appropriated as State aid payable to the City and not dedicated to a specific purpose by the State (the "municipal qualified revenues") an amount which will be sufficient to pay debt service on such bonds as it becomes due. Municipal qualified revenues do not include Aid to Distressed Cities.

The Municipal Qualified Bond Act provides that the municipal qualified revenues so withheld and paid or to be paid to and held by the paying agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered or applied toward paying the debts of the City other than the payment of debt service on any such Qualified Bonds of the City issued for municipal purposes (including fiscal year adjustment or pension obligation purposes) or water utility purposes and entitled to the benefits of the Municipal Qualified Bond Act.

The Municipal Qualified Bond Act does not relieve the City of its obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest becoming due on any such Qualified Bonds. However, such budgeted amounts may be applied to the payment of operating expenses of the City for the then current year to the extent that appropriated amounts have been withheld from the municipal qualified revenues payable to the City and have been forwarded to the paying agent. Such budgeted amounts must be used to pay debt service becoming due on any such Qualified Bonds of the City issued for municipal purposes (including fiscal year adjustment or pension obligation purposes) or water utility purposes and entitled to the benefits of the Municipal Qualified Bond Act in any year in which sufficient municipal qualified revenues are not appropriated.

The State has covenanted in the Municipal Qualified Bond Act with the holders of bonds entitled to the benefits of such act, that it will not repeal, revoke, rescind, modify or amend the provisions of such act providing for the withholding of municipal qualified revenues and payment of such revenues to the paying agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from such revenues which is prior in time or superior in right to the payment of debt service on such bonds.

The Municipal Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State Legislature. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or prohibited from repealing or amending any law heretofore or hereafter enacted for the payment or apportionment of such amounts or in the manner, time or amount thereof. Further, the amount payable to the Paying Agent does not constitute an additional source of revenues available to the City.

The table below shows the qualified revenues, debt service on bonds subject to the Municipal Qualified Bond Act, and coverage ratios for the last five years. State aid is distributed by the State to the City on a "phased aid" schedule.

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Qualified Revenues:					
Energy Receipt Tax:	$53,091,740	$ 52,031,160	$ 51,682,679	$ 50,323,109	$ 47,991,697
Consolidated Municipal Property Tax Relief Act:	10,752,945	11,813,525	12,162,006	13,526,987	15,852,988
Total Qualified Revenues:	$63,844,685	63,844,685	63,844,685	63,850,096	63,844,685
Debt Service:					
General Improvement Bonds:	42,287,805	43,533,669	43,127,075	37,404,452	35,956,272
Water Bonds:	3,493,569	4,361,300	5,254,995	5,520,939	5,736,917
Total Debt Service:	$45,781,374	$ 46,894,969	$ 48,427,070	$ 42,925,391	$ 41,693,189
Coverage Ratio:	1.39	1.36	1.32	1.49	1.54

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City.

The City has outstanding bonds, notes and loans for municipal purposes which are not entitled to the benefits of the Municipal Qualified Bond Act. The debt service for the calendar year ending December 31, 2015 was $6,934,388 for such bonds, $5,108,103 for such notes and $531,945 for such loans. The debt service for the calendar year ending December 31, 2014 was $5,507,931 for such bonds, $5,108,063 for such notes and $531,945 for such loans. The debt service for the calendar year ending December 31, 2013 was $4,781,723 for such bonds, $5,543,710 for such notes, and $527,833 for such loans. The debt service for the calendar year ending December 31, 2012 was $4,153,674 for such bonds, $7,996,577 for such notes and $606,233 for such loans. The debt service for the calendar year ending December 31, 2011 was $3,895,916 for such bonds, $7,491,706 for notes and $606,229 for such loans. The City may also be responsible for the payment of debt service on the bonds issued by certain independent authorities. See "CITY INDEBTEDNESS AND DEBT LIMITS -- Other City-Related Obligations" herein.

Certain outstanding issues of General Improvement Bonds, Pension Obligation Bonds, Water Bonds and FYABs of the City are entitled to the benefits of the Municipal Qualified Bond Act and certain School Bonds of the City are entitled to the benefits of the School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 *et seq.*

School Qualified Bond Act

In addition to being secured by the pledge of the City's full faith and credit, certain bonds of the City are entitled to the benefits of The School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 et seq., as amended (the "School Qualified Bond Act"). Pursuant to the School Qualified Bond Act, a portion of the amount of State school aid payable to the school district, in amounts sufficient to pay debt service on such bonds, is to be withheld by the State Treasurer and forwarded directly to the paying agent on or before the principal and interest payment dates for such bonds. Those funds are further deposited into accounts established for the purpose of paying debt service on such bonds.

Pursuant to the provisions of The School Qualified Bond Act, the City shall certify to the State Treasurer the name and address of the paying agent, maturity schedule, interest rate or rates and dates of payment of debt service on such bonds within ten days after the issuance thereof. After receipt of such certificate, the State Treasurer is required to withhold with respect to such bonds from the amount of State school aid payable to the school district an amount which will be sufficient to pay debt service on such bonds as it becomes due. For purposes of The

School Qualified Bond Act, "State school aid" means funds made available to local school districts pursuant to the Quality Education Act of 1990, N.J.S.A. 18A:7D-4.

The School Qualified Bond Act provides that the State school aid so withheld and paid or to be paid to and held by the paying agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered or applied toward paying the debts of the City other than the payment of debt service on such bonds and other bonds of the City issued for school purposes and entitled to the benefits of the School Qualified Bond Act.

The School Qualified Bond Act does not relieve the City of its obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest becoming due on such bonds. However, such budgeted amounts will be forwarded by the City to the school district, to the extent that appropriated amounts have been withheld from the State school aid payable to the school district and have been forwarded to the paying agent. Such budgeted amounts must be used to pay debt service becoming due on such bonds and other bonds of the City issued for school purposes and entitled to the benefits of the School Qualified Bond Act in any year in which sufficient State school aid is not appropriated.

The State has covenanted in The School Qualified Bond Act with the holders of bonds entitled to the benefits of such act, that it will not repeal, revoke, rescind, modify or amend the provisions of such act providing for the withholding of State school aid and payment of such monies to the paying agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from such monies which is prior in time or superior in right to the payment of debt service on such bonds.

The School Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State Legislature. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or prohibited from repealing or amending any law heretofore or hereafter enacted for the payment of such amounts or in the manner, time or amount thereof. Further, the amount payable to the paying agent does not constitute an additional source of revenues available to the City.

The table below shows the qualified revenues, debt service on bonds subject to the School Qualified Bond Act, and coverage ratios for the last five years.

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Qualified School Revenues:	$417,805,515	$ 417,859,150	$ 419,644,829	$ 475,981,648	$ 417,859,150
Total School Debt Service:	9,999,304	10,483,807	12,190,025	12,574,607	14,755,592
Coverage Ratio:	41.78	39.86	34.43	37.85	28.52

New Jersey School Bond Reserve Act

All school bonds issued are also entitled to the benefits of the provisions of the New Jersey School Bond Reserve Act, P.L. 1980 (N.J.S.A. 18A:56-17 et seq.) (the "School Bond Reserve Act").

In accordance with the School Bond Reserve Act, there is established within the State Fund for the Support of Free Public Schools (the "Fund") a school bond reserve (the "Reserve"), which is pledged by law to secure payments of principal and interest due on such bonds in the event of the inability of any issuer thereof to make payments. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account is to be funded in an amount equal to 1.5% of the aggregate of such issued and outstanding bonded indebtedness for all counties, municipalities and school districts in the State for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account is to be funded in an amount equal to 1% of the aggregate of such issued and outstanding bonded indebtedness for all such indebtedness issued on or after July 1, 2003.

The Fund was established in 1817. The present State Constitution, adopted in 1947, provides that "the Legislature shall only appropriate Fund moneys for Public School purposes." A Constitutional Amendment ratified in 1958 provides that "the Legislature may also appropriate Fund moneys for the payment of principal or interest on any school related Bonds of counties, municipalities or school districts of the State."

Trustees of the Fund are charged with making an annual determination of the amount of school bonds outstanding and with adjusting the level of the Reserve accordingly, to the extent that moneys are available in the Fund. The State may, but is not required to, appropriate amounts to be deposited in the Fund. The School Bond Reserve Act provides that moneys received from the sale of lands belonging to the State as of 1980 or formerly lying under water are dedicated to the support of public schools and shall constitute a part of the Fund. In the event that proceeds from the sale of State riparian interests are, in the future, made payable by law to purposes other than the Fund, they may not be applied to such purposes so long as there is a deficit in the Reserve.

The State Constitution also provides that the Fund be "securely invested and perpetual in nature." The School Bond Reserve Act requires that the Reserve be made up entirely of obligations of, or guaranteed by, the United States Government, at least one third of which must mature within one year of issuance or purchase. Investments in the Fund may include stocks, bonds and other investments prescribed by the State Investment Council Regulations.

Under the School Bond Reserve Act, the old school bond reserve account and the new school bond reserve account respectively, are pledged as security for the prompt payment of principal of and interest on bonds issued by counties, municipalities or school districts for school purposes prior to July 1, 2003 (in the case of the old school bond reserve account) or on or after July 1, 2003 (in the case of the new school bond reserve account), in the event any issuer thereof is unable to make payment. Any issuer which anticipates that it will be unable to make such payment is instructed to certify its inability to the Commissioner of Education and the Director of the Division of Local Finance at least 10 days prior to the date payment is due. If the Commissioner and the Director approve the certification, they then certify the same to the Fund Trustees. On receipt of the certification or other notice, the Trustees are required, within the limits of the Reserve, to purchase such bonds at the face amount or pay such interest when due. The amount which may be applied to any one issuer's bonds is not limited. The amount of any such payment of interest or purchase price shall be deducted from the appropriation or apportionment of State aid payable to the issuer and shall not obligate the State to make, nor entitle the issuer to receive, any additional appropriation or apportionment. There have not been any required withdrawals from the Reserve since its establishment.

The School Bond Reserve Act does not contain a covenant by the State to refrain from repealing, revoking, rescinding, modifying or amending the provisions of that act.

CITY FINANCIAL INFORMATION

Audit Requirement

State law requires every municipality to have an annual audit of its books and accounts to be completed within six months after the close of its fiscal year. The audit must be conducted by a registered municipal accountant and the audit report must be filed with the municipal clerk and with the Director.

Copies of the Annual Financial Statements are available for inspection during normal business hours at the office of the City Clerk and a copy of the City's Audited Financial Statements for the Calendar Year ended December 31, 2015 is set forth at APPENDIX B.

Accounting Principles and Fund Structure

Accounting Principles.

The City does not prepare its financial statements in accordance with generally accepted accounting principles ("GAAP"). The City prepares its financial statements in accordance with the accounting policies prescribed by the Division, which differ from those prescribed under GAAP. The accounting policies prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. See "FINANCIAL STATEMENTS OF THE CITY OF JERSEY CITY" in APPENDIX B for a more complete discussion of the City's accounting policies.

Fund Structure.

Under the method of accounting prescribed by the Division, the City accounts for its financial transactions through separate funds which differ from the fund structure required by GAAP. See "FINANCIAL STATEMENTS OF THE CITY OF JERSEY CITY" in APPENDIX B herein for a detailed description of the fund structure utilized by the City.

Basic Financial Statements.

The City presents the financial statements which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

Reporting Entity.

The Division requires the financial statements of component units of the City to be reported separately unlike GAAP pursuant to which there are criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Inasmuch as their activities are administered by separate boards, the financial statements of the Jersey City Board of Education, Jersey City Public Library, Jersey City Incinerator Authority, Jersey City Municipal Utilities Authority, Jersey City Parking Authority, Jersey City Municipal Port Authority and Jersey City Redevelopment Agency are reported separately.

Uniform Chart of Accounts

In an attempt to instill uniformity in financial reporting among the numerous municipal and county entities in New Jersey, the Division of Local Government Services has required the implementation of a Flexible Chart of Accounts ("FCOA") and Other Comprehensive Basis of Accounting — Comprehensive Annual Financial Report ("OCBOA-CAFR") by all New Jersey local and governmental entities. Procedures as to implementation dates are still pending by the State.

An important goal of the FCOA is to enable a comparison of local unit expenditures and revenues. Because municipalities and counties have different approaches to budgeting, common budget activity categories have been developed to facilitate comparison. These categories are necessary to prepare the Comprehensive Annual Financial Report and comply with budget regulations.

In order for each municipality and county to maintain the same minimum number of financial records and classify financial transactions in similar account classification structure, a uniform, flexible chart of accounts is already in place. This standardized chart of accounts, ("FCOA"), facilitates the electronic filing of budgets and other financial documents. The City converted its existing account numbers to that of FCOA and OCBOA-CAFR.

Current Fund – Revenues and Expenditures

The Current Fund is used to account for the revenues and expenditures for governmental operations of a general nature, including debt service on general improvement and school bonds, and tax appeal refunding notes. The fund balance in the Current Fund at the end of each fiscal year is comprised of cash, investments and certain receivables. Under State law, only the amount of Current Fund balance held in cash or quick assets may be included as anticipated surplus in the succeeding fiscal year's budget, unless the Director gives written consent to an exception.

The information presented in the following tables has been derived from the City's Audited Financial Statements for fiscal years ending December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015. The fund balance does not reflect a cash surplus and the balance consists primarily of receivables. The amount of the fund balance that may be used in the succeeding year's budget consists of receivables which have a high probability of being realized in the succeeding fiscal year and which are permitted by the Director to be included in the succeeding year's budget. The fund balances as of 2011 through 2015, and the amounts included in the budget for each succeeding year are shown below:

Fiscal Year Ending	**Current Fund Fund Balance**	**Used in Succeeding Year Budget**
December 31, 2015	$50,705,610	$20,745,651
December 31, 2014	56,132,966	25,722,750
December 31, 2013	38,733,517	16,413,000
December 31, 2012	33,530,567	16,707,232
December 31, 2011	17,974,709	16,010,000

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City.

The following table summarizes the Current Fund revenues for the last five years with a comparison of budgeted revenues and expenses to actual amounts. The tables on the succeeding pages set forth the City's appropriations for the last five years and show the operations and changes in the Current Fund over the past five years.

	Appropriations In Thousands									
	December 31, 2015		December 31, 2014		December 31, 2013		December 31, 2012		December 31, 2011	
	Budgeted[(1)]	Realized	Budgeted[(1)]	Realized	Budgeted[(1)]	Realized	Budgeted[(1)]	Realized	Budgeted[(1)]	Realized
.....	$ 25,723	$ 25,723	$ 16,413	$ 16,413	$ 16,707	$ 16,707	$ 16,010	$ 16,010	$ 15,802	$ 15,802
.....	219,785	222,266	217,414	232,324	217,731	222,768	201,986	211,137	201,991	196,695
.....	5,429	5,429	5,774	5,774	6,714	6,714	6,926	6,926	6,457	8,128
.....	6,575	6,575	6,190	6,190	5,902	5,902	6,209	6,209	6,659	6,659
.....	2,100	1,461	851	957	342	1,028	1,890	725	3,677	3,417
l:										
.....	4,569	4,569	4,709	4,709	5,476	5,476	5,649	5,649	8,299	6,628
Tax	10,753	10,753	11,814	11,814	12,162	12,162	13,527	13,527	15,853	15,853
.....	206,920	218,345	199,379	210,750	186,206	208,191	178,689	192,510	182,001	188,964
.....	53,092	53,092	52,031	52,031	51,683	51,683	50,318	50,318	47,992	47,992
.....										
.....	19,000	19,000	14,500	14,500	13,000	13,000	12,500	12,500	12,000	12,000
.....	-	-	-	-	-	-	-	-	-	-
.....	294,334	305,759	282,433	293,804	268,527	290,512	260,683	274,504	266,145	271,437
get)	-	1,185	-	2,013	-	1,699	-	1,369	-	1,178
.....	$553,946	$568,398	$ 529,075	$ 545,512	$ 515,923	$ 545,329	$ 493,704	$ 516,880	$ 500,731	$ 503,316

15 Audited Financial Statements of the City.
: to adoption, such as grant awards.

Appropriations
In Thousands

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
....	$ 216,605	$ 213,570	$ 198,098	$ 190,700	$ 188,215
....	51,059	48,948	51,184	49,374	54,407
....	78,578	75,556	75,014	77,483	67,324
....	8,983	8,074	22,609	5,810	3,669
....	131,090	116,251	113,279	121,014	116,804
cted Taxes	3,500	1,847	1,528	3,760	1,869
....	489,815	464,246	461,712	448,141	432,288
....	50,321	45,431	51,691	42,426	41,921
....	9,999	10,484	12,190	12,575	14,756
rvice[1]	11,528	14,295	7,013	13,175	11,766
....	$ 561,663	$ 534,456	$ 532,605	$ 516,317	$ 500,731

dited Financial Statements of the City.
istrations to finance operating deficits and refunds of past property tax over-charges.

Statement of Operations and Changes in Fund Balance In Thousands

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
come Realized:					
....	$ 25,723	$ 16,413	$ 16,707	$ 16,010	$ 15,802
Anticipated.........................	305,759	293,804	290,512	274,503	271,437
....	452,048	446,147	440,629	427,104	407,053
....	1,461	957	1,028	725	3,417
....	1,185	2,013	1,699	1,369	1,177
ɔ:					
of Appropriations Reserves	7,569	8,105	4,674	11,482	8,978
rves.....................................	468	4,616	1,477	918	-
racts Payable & Checks........	1,711	591	1,032	293	576
....	5.80	104	691	434	628
d..	246	5,392	214	30	3
ɛr Income Realized...............	796,750	778,142	758,661	732,868	709,071
Appropriations:					
"CAP" Operations:					
....	216,603	213,570	198,098	190,670	187,965
....	179,688	153,234	159,532	165,760	148,956
d Statutory					
....	51,059	48,948	51,184	49,374	54,407
:d from "CAP" Operations:					
....		-	-	-	-
....	29,949	37,573	35,782	32,040	47,552
ts...	314	1,000	600	1,341	544
ice...	61,809	59,726	58,705	54,978	53,687
Municipal.............................	8,983	8,074	14,988	5,810	3,307
t Purposes............................	9,756	10,484	12,190	12,575	14,756
:ted Taxes............................	3,500	1,847	1,528	3,760	1,869
....	111,062	109,149	107,392	105,403	103,336
....	105,866	102,513	97,853	97,428	91,740
on Added & Omitted Taxes.	851	2,160	-	-	495
....	4,702	3,911	8,304	5,569	488
....	311	246	96	214	30
:es	784,455	752,435	746,251	724,922	709,132
enue	12,295	25,707	12,410	7,946	(61)
before Fund Balance:					
Authorization Storm Sandy		-	-	16,000	-
Appropriations		606	-	7,620	-
above which are by Statute					
ıdget of Succeeding Year:		-	-	-	3,150
ce Liabilities	8,000	7,500	9,500	-	9,500
fter Adjustment....................	20,295	33,813	21,910	31,566	12,589
ıg of Year.............................	56,133	38,734	33,531	17,975	21,187
	76,428	72,547	55,441	49,541	33,776
Anticipated Revenue.............	25,723	16,413	16,707	16,010	15,802
ear.......................................	$50,705	$ 56,134	$ 38,734	$ 33,531	$ 17,974

Calendar Year 2011-2015 Audited Financial Statements of the City.

CITY REVENUES

Overview

The City derives its revenues from a variety of local taxes, user charges and miscellaneous revenues, as well as from Federal and State unrestricted and categorical grants. Local revenues provided approximately 8% of total revenues in Calendar Year 2015 while Federal and State aid, including unrestricted aid and categorical grants, provided 3%. A discussion of the City's principal revenue sources follows.

Cash Flow Management

While State law requires the City to adopt and operate under a balanced budget and the City has not had a cash deficit at the end of any of the last ten fiscal years, the City's historic experience in the timing of the receipt of its various revenues has shown significant variance. The management of matching receipts and expenditures for operating purposes has required the use of significant amounts of temporary interfund transfers between operating and capital accounts. The City has undertaken an initiative to analyze and report cash flows (receipts and expenditures) on a monthly cycle to enable better matching of receipts with expenditures during each fiscal year. However, as long as the receipt of substantial appropriated revenues is dependent upon State, Federal and special program sources, there is no certainty that additional temporary interfund transfers or other short-term funding mechanisms will not be required should temporary cash flow imbalances persist.

Real Estate Tax

The real estate tax, the single largest source of the City's local revenues, is the primary source of funds for the City's Current Fund. The City derived approximately 41% of its total revenues for Calendar Year 2015 from the City's portion of the real estate tax.

The amount of real property taxes payable by a property owner is based on the assessed value of the property taxed and the combined tax rate for the City, the County and the School District. The assessed value of property is determined by the City's Tax Assessor. Although property may be reassessed at any time, the Tax Assessor generally reassesses property upon a revaluation and upon a resale. The last revaluation took place in 1988. The City's tax rate is determined by the City after adopting the final budget. The City's tax rate is determined based on the amount of budgeted expenditures, the amount of other available revenues and the aggregate assessed value of all taxable property in the City. The tax rates allocable to the County and School District are determined based on their respective budgets. The City must submit its tax rate to the County which certifies the aggregate rate to be levied.

Analysis of Tax Rates and Percent Distribution Rate Per $1,000 Assessed Valuation

Year	Total	Municipal[1]	Percent of Total	County	Percent of Total	County Open Space Tax	Percent of Total	School	Percent of Total
2015	$74.82	$37.73	50.43%	17.49	23.38%	$0.17	0.23%	$19.43	25.97%
2014	74.34	37.68	50.69%	17.12	23.03%	0.17	0.23%	19.37	26.06%
2013	74.66	38.45	51.50%	16.51	22.11%	0.07	0.09%	19.63	26.29%
2012	71.84	35.85	49.90%	16.33	22.73%	0.32	0.45%	19.34	26.92%
2011	70.07	35.64	50.86%	15.50	22.13%	0.17	0.24%	18.76	26.77%

(1) Includes library tax
Source: Derived from the County Board of Taxation Certification

Tax Collection Procedure. Taxes are payable quarterly on February 1, May 1, August 1 and November 1. Tax bills are sent out twice during the year, generally in June and December. The bill for taxes payable in February and May is based on the assessed value of the property as of January of the preceding year. The bill for taxes payable in August and November reflects adjustments made so that the taxes paid for the calendar year reflect the assessed value of the property as of January of the current year.

The City is required to send out tax bills at least 45 days before the taxes are due; however, if the budget has not been adopted by that time, the City may delay sending out the bills to a date at least 25 days before the taxes are payable. If the budget has not been adopted by that time, the bill is based on an estimated rate and the second bill will be adjusted to compensate for any difference between the actual rate and the estimated rate. Taxpayers are allowed a 10-day grace period for paying their taxes. Interest is charged on any late payments of taxes from the date the taxes were due until they are paid at a rate of 8% per annum for the first $1,500 of delinquent taxes and 18% on any delinquent amount in excess of $1,500. All unpaid taxes for the previous year are annually placed in a tax sale prior to putting a lien on the property, in accordance with the New Jersey Statutes. If the tax lien is sold, depending upon the amount of the lien sold, there is an additional penalty of 2%, 4% or 6%. *In rem* tax foreclosure proceedings may be instituted to enforce the tax collection or acquisition of title to the property by the City.

The City collects taxes for itself and for the County and the School District. The City pays to the County and the School District 100% of the amount of taxes billed by those entities, regardless of the number of taxpayers that are delinquent. The City pays the County its share of real property taxes quarterly (on February 15, May 15, July 15 and November 15) and pays the School District its share monthly.

Equalization Rate and Tax Collection Rates

The State determines, based on market data, the relationship between the assessed value of property and the "true value" or market value of the property. The State then calculates the equalization rate, which is the assessed value divided by the true value, expressed as a percentage. The assessed value divided by the equalization rate provides the equalized value, which is the value used to calculate the City's debt limit. See "CITY INDEBTEDNESS AND DEBT LIMITS - Debt Limits" herein. The following table sets forth the assessed valuation, equalization rate and equalized value of property in the City of the last 7 calendar years.

Assessed Valuations

Year	Land	Improvements	Land and Improvements(1)	Personal Property	Net Valuation Taxable(2)	Equalization Ratio	Equalized Valuation of Taxable Real Property
2015	$1,578,755,314	$4,401,341,030	$5,980,096,344	$17,672,253	$5,997,768,597	30.02	$20,246,400,032
2014	1,548,586,503	4,430,998,768	5,916,171,471	16,605,073	5,932,776,544	30.02	$19,707,433,281
2013	1,503,278,191	4,362,050,129	5,795,484,581	19,086,697	5,814,571,278	31.24	18,570,573,832
2012	1,500,089,405	4,376,448,593	5,786,339,559	21,453,769	5,807,793,328	32.72	17,705,865,624
2011	1,515,126,836	4,442,100,557	5,834,023,804	19,573,239	5,853,597,043	31.35	18,628,899,568
2010	1,528,404,530	4,492,765,836	5,874,234,666	16,691,940	5,890,926,606	29.43	19,976,714,590
2009	1,540,763,703	4,611,950,913	5,929,988,016	16,702,721	5,946,690,737	26.75	22,184,882,220

Source: The City of Jersey City, Office of the Tax Assessor
(1) Includes partial exemptions and abatements.
(2) Excludes properties exempt from real property taxes.

Taxpayers are required to pay taxes based on the assessed value of their property and then are permitted to appeal. If the taxpayers are successful on appeal, they will receive a refund. Appeals by property owners required the City to make refunds of tax payments in the amounts of approximately $4.3 million in 2012, $7.4 million in 2013, $5.4 million in 2014 and $5.2 million in 2015. The City is authorized to issue bonds to reimburse itself for payments made pursuant to successful tax appeals. The City has not authorized the issuance of bonds to fund tax appeals since 2012. See "CITY INDEBTEDNESS AND DEBT LIMITS – Exception to Debt Limit - Real Property Tax Appeal Refunding Notes" herein.

On September 14, 2016, the City adopted a special emergency appropriation of $5 million for the preparation and execution of a complete program of revaluation of real property for the use of the local assessor.

The following table sets forth the amount of taxes levied in each year and the amount and percentage of such levy collected or canceled. In addition, the table sets forth the amount and percentage of delinquent taxes from all prior years collected in a particular year, the amount transferred to tax lien, the tax lien balance, and the value of foreclosed property acquired by the City. The tax collection rate in the Calendar Year ending December 31, 2015 was 99.16%.

Analysis of Real Estate Tax Billings and Collections

Tax Billings	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Municipal(1)	$ 229,124,333	$ 230,850,029	$ 230,843,162	$ 210,197,174	$ 210,405,768
School	116,490,978	114,923,807	114,105,988	112,329,149	109,793,522
County	106,716,687	104,672,969	97,852,919	97,428,307	92,235,470
Total Billings	452,331,998	$ 450,446,805	$ 442,802,069	$ 419,954,630	$ 412,434,670
Taxes Collected	448,547,898	444,300,251	439,100,320	416,731,470	406,028,302
Percent Collected	99.16%	98.64%	99.16%	99.23%	98.45%
Taxes Canceled or Remitted	3,316,205	6,720,278	2,606,875	603,231	3,451,205
Delinquent Taxes Collected, Including Liens	1,461,339	912,146	1,027,576	2,180,348	3,378,322
Total Current and Delinquent Collected	451,864,103	445,212,397	440,127,896	418,911,818	409,406,624
Percent Collected(2)	99.89%	98.84%	99.40%	99.75%	99.27%
Delinquent Tax Balance Current Year	467,897	715,416	201,344	270,070	1,952,065
Prior Year's Tax Balance	3,660,742	2,768,273	2,566,929	2,379,507	799,556
Taxes Receivable Balance	3,125,278	3,660,742	2,632,909	2,649,577	2,751,621
Transferred to Tax Title Liens Current Year	265,880	39,202	65,980	16,399	1,003,188
Tax Title Lien Balance	659,482	422,969	326,028	114,206	1,468,623
Foreclosed Property Balance	1,680,900	1,455,500	1,591,500	1,652,600	2,258,000

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City.
(1) Includes Minimum Library Tax of $6,574,673 for 2015, $6,190,185 for 2014, $5,901,949 for 2013 and $6,209,626 for 2012.
(2)Includes receipts and balances of current taxes, delinquent taxes and tax title liens.

The ten entities that paid the most real property taxes in 2016 do not, in the aggregate, exceed 10.5% of the total levy. Listed below are the taxpayers whose property has the greatest assessed valuations in the City.

Ten Largest Assessed Valuations in the City

Name	Type of Business	2016 Assessed Valuations
NC Housing Associates	Office	$ 132,666,800
Cali Harborside Associates	Office	120,092,000
101 Hudson St. Associates	Office	90,855,800
Newport Centre, LLC (Indianapolis)	Shopping	58,088,000
MEPT Newport Tower	Office	45,000,000
John Hancock Life Insurance	Office	43,490,400
70 Columbus Urban Renewal, LLC	Office	42,775,100
Newport Center (Rego Park)	Mixed – Retail, Office, Hotel	39,253,400
WELLS REIT	Office	35,625,000
Grove Pointe, U.R.	Mixed – Retail, Office, Residential	34,512,100

Tax-Exempt Properties

As of January 30, 2016, approximately 18.75% of the total assessed value of the City's real property was exempt from real property taxation. However, this number does not include certain service charges for PILOTS.

Tax-Exempt Properties in the City

	2016 Assessed Valuation
Public Schools	$ 300,113,700
Schools Other Than Public	74,659,600
Public Property	1,344,256,600
Church and Charities	250,311,350
Cemeteries	35,220,800
Other Exempt Properties	2,591,095,100
	$ 4,595,657,150

Source: The City of Jersey City, Office of the Tax Assessor.

Properties in Tax Abatement

Under the provisions of State law, the City may abate the taxes payable on newly constructed commercial and residential properties. The owners of such properties generally pay taxes on the value of the land on which the property is located but, pursuant to agreements with the City, pay payments-in-lieu-of-taxes ("PILOTs") on the value of the improvements on the property instead of taxes. Such abatements are used as an incentive to encourage development in areas within the City. State law provides different abatement programs for commercial and residential development. The law allows a 15-year abatement period during which the taxes on the improvements on property could be abated and PILOTs charged instead. The PILOTs for commercial properties were based on the construction cost of the property (initially 2% of the costs) or on the revenues received from leasing of the property. The law also allows for a 5-year short-term abatement period in which PILOTs are based on a percentage of what the tax bill otherwise would have been. Residential property is eligible for a 30-year abatement period and the PILOTs for residential property are based either on the sale price of the property (if condominiums are involved) or the rent roll (for a rental property). In April 1992, the law was amended to allow an abatement period of up to 30 years for commercial property, also during which PILOT payments are the higher of an amount based on construction costs and a percentage of the taxes that would have been payable. However, the City has made it a policy to only grant 30 year abatements for affordable housing projects.

In addition to the difference between the amount of a PILOT and the amount of taxes, PILOTs differ from taxes in two other ways. First, PILOTs are paid to the City and no portion of the PILOT is payable to the County or the School District. Second, there is no incentive for a property owner to appeal the assessed value of the property while it is subject to abatement. Therefore, it is not clear whether the assessed value determined during the abatement period will be appealed when the property is no longer subject to abatement. When the abatement period ends, the property becomes subject to taxation on both the land and improvements. See "CITY ECONOMIC AND DEMOGRAPHIC INFORMATION" and "ECONOMIC DEVELOPMENT" herein.

The City's authority to enforce payments in lieu of taxes and the remedies available to it for delinquent payments are the same as those for real property taxes, including sale of liens and foreclosures. In addition, the City may revoke the taxpayers' ability to make payments in lieu of taxes. Further, the City has engaged the services of several independent accounting firms to review the records of properties in abatement to ensure the accurate reporting of development costs upon which payments in lieu of taxes are calculated.

Municipal Revenues From Payments In Lieu Of Taxes (PILOT)
On Properties In Tax Abatement

Year Ending	PILOT Revenue
December 31, 2015	$130,861,698
December 31, 2014	121,966,019
December 31, 2013	122,615,865
December 31, 2012	115,715,886
December 31, 2011	100,077,085

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City

The estimated development cost of the 35 major commercial properties currently covered by abatements exceeds $3 billion.

Listed below are the five entities which were responsible for the highest PILOT payments in Calendar Year 2015.

Five Largest PILOT Payers

Name	**Calendar Year Payment Amount**
K. Hovanian@77 Hudson Street	$ 4,970,350
GSJC 30 Hudson Street UR	4,436,021
Vector I	4,358,217
Port Liberte II	3,902,125
James Monroe	3,575,931
TOTAL	$ 21,242,644

Source: Derived from the Calendar Year 2015 Audited Financial Statements of the City.

Delinquent Taxes

Delinquent taxes can be anticipated only to the extent of the last preceding year's delinquent tax collection percentage.

The following chart shows the amount and percentage of delinquent taxes budgeted for collection by the City and the amount and percentage of delinquent taxes which were actually collected in such fiscal year, for the last five years. The amount of delinquent taxes represents an aggregate amount of unpaid taxes for all prior years.

Delinquent Taxes and Tax Title Liens

Year Ending	Balance of Delinquent Taxes at Start of Year	Budgeted Amount of Delinquent Taxes to Be Collected	Percent of Delinquent Taxes Budgeted to be Collected	Amount of Delinquent Taxes Collected	Percent of Delinquent Taxes Collected
December 31, 2015	$3,125,278	$2,100,000	0.67%	$1,461,339	0.47%
December 31, 2014	2,768,273	851,494	0.31%	912,146	0.33%
December 31, 2013	2,649,577	342,386	0.13%	1,027,577	0.39%
December 31, 2012	2,751,621	1,889,554	0.69%	725,068	0.26%
December 31, 2011	1,653,813	3,676,758	2.22%	3,378,322	2.04%

Source: Derived from the Calendar Year 2015 Audited Financial Statements of the City.

The City currently reviews the status of real property with outstanding delinquent taxes to institute a more rapid disposition of property through foreclosure and sale. The City usually sells tax liens annually at auction and retains unsold liens. In 2014 and 2015 the City sold an aggregate of $14,805,574 and $23,996,324 of tax title lien certificates, respectively.

Property Tax Reform

In recent years, the New Jersey Legislature has considered various proposals to lessen the dependence of local governments on property taxes and to find alternative means to fund vital governmental services.

On July 13, 2010, the Governor approved legislation which, in addition to the "Cap Law" described under "THE CITY OF JERSEY CITY - Limitation on Expenditures" above, amends the property tax levy cap that was initially enacted in 2007. This law puts a limitation of 2% on the property tax levy set in the annual budget. The law allows for exclusions for capital expenditures, debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, and increases in health care costs in excess of 2%. This limitation may be exceeded by approval of an affirmative vote in excess of 50% of the people voting at a special referendum held for such purpose.

The tax levy limitation does not limit the obligation of the City to levy ad valorem taxes upon all taxable real property within the City to pay debt service on the Notes.

Any legislation or constitutional amendments which alter the existing system of real property taxation in New Jersey may adversely affect the security and/or market value of bonds, notes and other obligations of counties and municipalities (such as the City).

State Aid Programs

The State of New Jersey provides financial support to local governments and school systems through various programs aimed at reducing reliance on the local property tax base. As described below, the City received or receives (i) urban enterprise aid, (ii) aid on distributed tax and (iii) aid on State reimbursement for certain categories of taxpayers. The State maintains a variety of smaller programs of grants-in-aid to municipalities in such fields as housing, neighborhood preservation, health, and social services, and has assumed funding of other programs previously financed by the City, thereby relieving the City from funding such costly programs. The City is allowed a credit for certain administrative charges under Federal programs.

Urban Enterprise Zone Funds. Under the State's Urban Enterprise Zone program which is administered by the State Department of Commerce and Economic Development, Division of New Jersey Urban Enterprise Zones, three percent (3%) of the sales tax levied by the State on certain specified goods and services paid by certified businesses operating within specially-created urban enterprise zones is paid into a segregated account within the State's Zone Assistance Fund for the benefit of the municipality in which the zone is located. To encourage businesses to locate in urban enterprise zones, the State exempts certified urban enterprise zone businesses from State sales taxes on equipment and supplies utilized in daily operations, as well as building materials. Monies held for the account of a municipality within the Zone Assistance Fund may be used to pay for capital projects or municipal services, following the filing of an application by the municipality and approval of the application by the members of the State Urban Enterprise Zone Authority.

One-third of the City's total acreage qualifies as a State-approved "urban enterprise zone". The City's urban enterprise zone incorporates the major retail corridors located within the City, as well as its primary commercial and industrial areas. In the past, the City utilized the funds it has received under the State Urban Enterprise Zone Program for capital improvements, economic development, redevelopment, special improvement districts and business improvement districts. However, the City has not received any funds since 2009 due to State budgetary constraints.

Distributed Taxes. The State collects various taxes for distribution to local governments. Of these, Energy Receipt Tax (formerly known as Public Utilities Franchise and Gross Receipts Taxes) and Consolidated Municipal Property Tax Relief Aid are the two largest programs of State Aid in New Jersey and the major sources of state aid to the City. The energy receipt tax represents taxes received by the State on properties and right-of-ways owned by public utilities. These funds are disbursed to municipalities based on a formula reflecting such property located within each municipality. The consolidated municipal property tax relief aid, created in fiscal year 1996, consolidated 14 separate state programs (i.e., urban aid, business personal property tax replacement aid and municipal revitalization aid) into a single aid program. Building Aid Allowance for School represents state aid to support the public educational programs in the City including aid on facilities construction and improvements.

The chart below provides the amount of State aid received by the City in the last five fiscal years. Certain State aid is required to be withheld by the State Treasurer and paid to the paying agents for certain bonds of the City in an amount sufficient to pay debt service on such bonds. See "CITY INDEBTEDNESS AND DEBT LIMITS — Municipal Qualified Bond Act" and "– School Qualified Bond Act" herein.

State Aid to Jersey City

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Urban Enterprise Zone Funds	$ -	$ -	$ 501,725	$ 2,010,808	$ 9,692,508
Energy Receipt Tax	53,091,740	52,031,160	51,682,679	50,317,698	47,991,697
Building Aid Allowance for School[2]	4,569,847	4,709,375	5,475,816	5,648,572	8,298,847
Consolidated Municipal Property Tax Relief Act	10,752,945	11,813,525	12,162,006	13,526,987	15,852,988
TOTALS:	$68,430,369	$ 68,554,060	$ 69,822,226	$ 71,504,065	$ 81,836,040

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City.
[1] Supplemental School Tax Relief allows state-operated schools to reduce the tax levy for school purposes.

Tax Exemption Reimbursement. The State reimburses municipalities for the full cost of mandated property tax deductions and exemptions for certain categories of taxpayers. For Fiscal Year 2011, the State reimbursed the City for seniors/veterans/disabled citizens in the amount of $794,696. For the calendar years ending December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015, the State reimbursed the City $708,973, $653,544, $408,960, $516,989, respectively.

Summary of State/Federal Aid to School Districts

In 1973, the Supreme Court of the State ruled in Robinson v. Cahill that the existing method of financing, school costs principally through property taxation was unconstitutional. Pursuant to the Supreme Court's ruling, the State Legislature enacted the Public School Education Act of 1975 (P.L. 1975, Ch. 212) which required funding of the State's School Aid through the New Jersey Gross Income Tax Act (P.L. 1975, Ch. 47) enacted for the purpose of providing property tax relief.

On June 5, 1990, the Supreme Court ruled in Abbott v. Burke, that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy districts were able to spend more, yet tax less for educational purposes.

The Quality Education Act of 1990

The Legislative response to Abbott v. Burke was the passage of the QEA (P.L. 1990, C. 52), which was signed into law on July 3, 1990. This law established a new formula for the distribution of State aid for public education commencing with the 1991-92 fiscal year. The law provided a formula that took into account property value and personal income to determine a district's capacity to raise money for public education. A budgetary limitation or "CAP" on expenditures was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The QEA was amended and revised by Chapter 62 of the Pamphlet Laws of 1991 of New Jersey, effective March 14, 1991 and further amended by Chapter 7 of the Pamphlet Laws of 1993 effective December 14, 1993.

On July 12, 1994, the Supreme Court of New Jersey declared the school aid formula under the QEA, as amended, unconstitutional on several grounds as it is applied to the 30 special needs districts designated by the State in ongoing litigation commonly known as Abbott v. Burke II. The City's school district is a special needs district. No specific remediation was ordered, but the Supreme Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996, so that the new formula would be implemented in the 1997-98 fiscal year.

Comprehensive Educational Improvement and Financing Act of 1996

In keeping with the Supreme Court's deadline, Governor Christine Todd Whitman signed into law on December 20, 1996, the *Comprehensive Educational Improvement and Financing Act of 1996* ("CEIFA"). CEIFA affects how public schools are funded by the State, beginning in the 1997-98 fiscal year.

CEIFA departs from other funding formulas adopted in New Jersey by defining what constitutes a "thorough and efficient" education, which is what the New Jersey Constitution requires every public school student to receive. CEIFA further establishes the costs to provide each student with an education that is "thorough and efficient."

In defining what constitutes a "thorough" education, the New Jersey State Board of Education adopted a set of Core Curriculum Content Standards. The purpose of these standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any New Jersey high school, regardless of the school's location or socioeconomic condition. CEIFA provides State aid assistance in the form of Core Curriculum Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Content Standards.

The definition of an "efficient" education under CEIFA determines the cost to provide each student with an education that fulfills the requirements for the Core Curriculum Content Standards. The efficiency standard defines such things as optimal class size, administrators/teachers per student, schools per district, and the types and amount of classroom supplies, services, and materials. CEIFA establishes an approximate amount per student to educate each student at various grade levels in the Core Curriculum Content Standards. This amount will be adjusted biennially for inflation by the consumer price index.

In determining how much Core Curriculum Standards Aid a school district will receive, CEIFA considers each school district's financial ability to fund such a level of education. This component of CEIFA is referred to as the local share requirement, namely, the amount of taxes that a school district can raise relative to other school districts based on property wealth and income levels. The purpose of the Core Curriculum Standards Aid is to provide school districts with adequate State assistance that is proportionate to their ability to pay. The purpose of this type of aid is to ensure that all school districts have the economic ability to provide their students with the ability to achieve the Core Curriculum Content Standards. In addition to the Core Curriculum Standards Aid, CEIFA also provides per pupil assistance from the State for special education, early childhood programs, demonstrably effective programs, instructional supplement, bilingual education, county vocational schools, and distance learning network. For Fiscal Year 2015-2016, the school district received Equalization Aid (formerly known as Core Curriculum Standards Aid) in the amount of $270,661,365.

Another form of aid that is provided by CEIFA is school facilities aid. During the 1997-1998 fiscal period, this type of aid was provided to those school districts that qualified for aid under the QEA. The amount of school facilities aid that the State provided during the 1997-98 fiscal year was determined by the amount budgeted in the approved State budget.

Beginning in the 1998-99 fiscal year, State aid for school facilities was supposed to consist of a ratio that divides (i) the amount of debt service or the amount of facilities rent for lease terms that exceed five years required to be budgeted for a fiscal period into (ii) the costs that are approved by the New Jersey Department of Education for a proposed building or renovation project. The approved facility costs under CEIFA have not yet been determined. CEIFA required the governor to submit to the legislature 60 days prior to the 1998 budget address, criteria for determining approved facilities costs, State support levels, and maintenance incentives applicable to the 1998-99 fiscal period. The Legislature enacted and the Governor signed into law the Educational Facilities Construction and Financing Act ("EFCFA"), constituting Chapter 72 of the Pamphlet Laws of 2000, effective July 18, 2000. That law provides full funding for qualified costs of facilities required for Abbott Districts and funding for qualified costs of facilities for all other districts in an amount equal to the ratio between their core curriculum facilities aid and their T&E budget times 115% or 40% of the qualified costs, whichever is greater. In lieu of debt service aid, school districts may receive grants for the State share of the project and authorize bonds only for the local share of the project. School districts may receive debt service aid under that formula for certain projects begun prior to the effective date of the law. On December 28, 2000, a Complaint was filed in the Superior Court of New Jersey challenging the authority of the Economic Development Authority under the State Constitution's Debt Limitation clause to issue bonds secured by a contract with the State Treasurer, the funding of which is subject to annual appropriation, and requesting that the Court grant an injunction restraining the State and the New Jersey Economic Development Authority from issuing bonds to fund the State's financial obligation under the Educational Facilities Construction and Financing Act. On January 24, 2001, the Superior Court of New Jersey granted the State's motion to dismiss the case as a matter of law. The Plaintiff filed a notice of appeal on February 5, 2001.

CEIFA also limits the amount school districts can increase their annual current expenses and capital outlay budgets. Generally, these budgets can increase by either 3% or the consumer price index, whichever is greater. Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed $40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by approval of the voters at the annual school election.

Under CEIFA, rent payments made pursuant to a facilities lease purchase agreement for a term that exceeds five years are treated as debt service. Such rent payments are not included in the spending limits and receive aid at the same level as debt service. Rent payments under a facilities lease with a term of five years or less are budgeted in the general fund and are subject to a school district's spending growth limitation amounts under CEIFA.

On May 14, 1997, the New Jersey Supreme Court held that CEIFA is unconstitutional as applied to the 28 special needs districts because (1) its funding provisions fail to assure that students in such districts will receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts have neither been adequately identified nor funded. The Court recognized the Core Curriculum Standards as a valid means of identifying what is a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the special needs districts. CEIFA was not held unconstitutional as applied to the non-special needs districts. The School District is not a special needs district.

The Court ordered the State (1) to increase State aid to the special needs districts for the 1997-98 school year to a level such that the per-pupil expenditure in such districts is equivalent to the average per-pupil expenditure in wealthy suburban districts, (2) through the Commissioner, to manage the additional spending to assure that it will be used to allow the students to meet the educational content standards and (3) under the supervision of the Superior Court, Chancery Division, to determine a plan to provide supplemental educational and facilities programs in the special needs districts.

Provisions for the additional amounts of money were appropriated in the 1997-98 State budget. The Court has ruled that the Commissioner and the State Department of Education will be responsible for maintaining the educational system in accordance with the orders of the Court.

In response to the Court's order and in an attempt to remedy inadequacies that exist in the safety, the quality and the utility of state-wide school facilities, the New Jersey Legislature enacted the EFCFA. See "Summary of Educational Facilities Construction and Financing Act" herein. The EFCFA provides certain levels of funding for facilities' improvements for both special needs and non-special needs districts. Under EFCFA, special needs districts will receive State funding of 100% of the eligible costs of a school facilities project. The State will provide non-special needs districts with facilities aid of at least 40% of the eligible costs of a school facilities project. A non-special needs district must elect to receive its level of facilities aid in either the form of a grant or ongoing annual debt service aid.

On June 27, 2001, the Superior Court of New Jersey, Appellate Division, affirmed the trial court's decision that no public referendum is required for the State's bonds under the EFCFA. By a 2-to-1 majority, the Appellate Division held that the Debt Limitation Clause of the State Constitution is not violated by the EFCFA. On appeal, the New Jersey Supreme Court held that the EFCFA and its provisions authorizing the EDA's issuance of bonds do not violate the Debt Limitation Clause of the State Constitution.

On June 24, 2004, the Legislature enacted amendments to CEIFA, which amendments impose strict limits on annual increases in their operating budgets. Commencing with the 2005-06 school year, boards of education will be required to submit proposed budgets in which the advertised per pupil administrative costs do not exceed the lower of (i) the prior year per pupil administrative costs for the district's region inflated by the greater of 2.5% or the "cost of living" (defined as the average annual increase in the consumer price index for the New York City and Philadelphia areas) and (ii) the district's per pupil administrative costs, increased (by up to the greater of 2.5% or the cost of living) by such additional costs as may be approved by the Commissioner of Education due to increases in enrollment, administrative positions necessary as a result of mandated programs, administrative vacancies, nondiscretionary fixed costs, and such other items as may be permitted by regulation (provided, that for the 2005-06 school year the amount in clause (ii) shall instead be the per pupil administrative cost limits for the district's region as determined by the Commissioner of Education). Various existing limitations on budget increases were amended from the greater of 3% or the consumer price index to the greater of the cost of living or 2.5%. Under this amendment, proposals to exceed these limits cannot (i) include any new programs and services necessary for students to achieve the thoroughness standards established pursuant to CEIFA, (ii) include any programs or services that were included in the prior year's budget unless approved by the Commissioner, and (iii) be submitted to the voters or the board of school estimate if the county superintendent of schools determines that the district has not implemented all potential efficiencies in the administrative operations of the district. This bill also reduces the amount of surplus that may be maintained by a school district from 6% to 2% (2% for the 2005-06 school year) of the general fund balance.

Summary of Federal Aid to School Districts

Federal funds are available for certain programs approved by the federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended by the Improving America's Act of 1994 is a federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Title I Aid. Federal aid is generally received in the form of block grants.

Welfare

The State pays the entire nonfederal share of Medicaid. As of July 1, 1991, the State also assumed one hundred percent of the costs of the nonfederal share of federal welfare programs managed by County governments and one hundred percent of the costs of General Assistance, the program of financial aid to needy people who are not otherwise provided for under New Jersey Laws that is managed by municipalities. Thus, New Jersey municipalities have no financial obligation for these programs.

As of January 1, 1999, the City consolidated the General Assistance Program into the County's Welfare Program, as permitted by State Law, and has retained its case records per State mandate.

Transit

The subsidization of public mass transit is the responsibility of the State. Municipalities are not required to make financial contributions.

Higher Education

The State subsidizes the system of State colleges and universities, with no municipal financial obligation. County colleges are supported by county governments with State assistance. Municipalities have no financial responsibility for the county college system.

Medical Care Services

The Jersey City Medical Center, which is an established New Jersey not-for-profit medical and health care corporation, provides certain hospital and medical care services for persons residing in the City and in the adjacent communities. For many years, the City provided direct and indirect financial assistance to the Jersey City Medical Center. The several agreements and programs have generally been consolidated. The City assisted the Jersey City Medical Center in the development and construction of a new hospital and medical care facility located at Grand and Jersey Avenues in the City. The City made a capital contribution of $12,000,000 for the acquisition of the real property for the new hospital and for certain preliminary development expenses. This contribution was funded through the issuance of serial bonds. The new medical center has an obligation to provide hospital and certain medical care services for all persons residing in the City regardless of their ability to pay. The operating and debt service expenses for the new facility are being met through Federal and State health care payments and third-party reimbursements.

CITY EXPENDITURES

The City has historically spent the largest percentage of its operating budget on public safety and statutory expenditures. For Calendar Year 2015, appropriations for public safety personnel equaled 32% of the budget and statutory expenditures were 9% of the budget as adopted. The remaining 59% of the municipal budget was appropriated for the legal, financial and administrative management of the City, and the provision of public works, human resources, recreation and housing and development services and programs.

CAPITAL IMPROVEMENT PROGRAM

The City maintains and continuously reviews a six-year program for capital improvements. Priority within the program is given to the maintenance of the existing infrastructure, to completion of projects under construction and to projects deemed necessary to the economic strength of the City. For the calendar years 2016 to 2021, inclusive, the City expects to appropriate approximately $25 to $35 million annually for capital projects for the City. The City anticipates the funding of these projects to be provided through the future sale of notes or bonds and grant programs.

Major projects of the general capital program of the City for the calendar years 2016 to 2021, inclusive, are: acquisition of new fire apparatus and public works equipment and machinery; continued development of recreation facilities building reconstruction; acquisition and installation of new computer systems; street resurfacing and widening; construction of a new police precinct building; cleaning and re-lining the City's 150-year-old aqueduct system; improvements to public libraries; bridge improvements; and sewer reconstruction. The City estimates that its funding needs to meet general capital improvement program objectives (excluding water utility payments) for the six-year period will be $205 million. The City is also making major infrastructure improvements, including the construction of new water and sewer lines and roads in connection with major development projects in the City. See "CITY ECONOMIC AND DEMOGRAPHIC INFORMATION" and "ECONOMIC DEVELOPMENT" herein. Many of these projects will be financed primarily through direct developer contributions or local improvement assessments.

THE WATER SYSTEM

Background

Prior to the reorganization of the Municipal Utilities Authority, the City operated the Water System as a self-liquidating utility within the City's budget. The City determined that it was in the best interest of the users of the Water System to reorganize the Jersey City Sewerage Authority as the Jersey City Municipal Utilities Authority to operate both the Sewerage System and the Water System, creating economies for both systems. On January 15, 1998, the Municipal Utilities Authority assumed the operation, maintenance and management of the Water System, subject to the short-term private operating agreement then in existence between the City and United Water. The agreement with the MUA was subsequently amended and extended to run through December 31, 2027 in order to better plan for long term improvements and operations. The City will continue to be responsible for the financing of all extensions and improvements to the Water System, but the Authority has assumed the responsibility for the payment of debt service on any future bonds issued by the City for such purposes as well as the responsibility for payment of debt service on the outstanding bonds of the City issued to finance the Water System. Debt service on the First Lien City Water Obligations has previously been paid from revenues collected by the City in connection with the use of the Water System.

General Description

The Water System consists of five major components, impoundment, water treatment facilities, water transmission facilities, water distribution facilities and land. Much of the Water System is located outside City limits. All of the water for the City is supplied by the Boonton Reservoir which is located in the Town of Boonton and the Township of Parsippany-Troy Hills, Morris County, New Jersey. The Splitrock Reservoir, located in the Township of Rockaway, Morris County, New Jersey is an emergency source of water. A water treatment plant, located next to the Boonton Reservoir was completed in 1978. The water treatment plant capacity is 80 million gallons per day ("MGD"). Its current peak usage is 60 MGD while its average usage is 45 MGD and its safe yield is 56.8 MGD. Water is conveyed from the Boonton Reservoir by an extensive gravity piping and tunnel system, approximately 23 miles in length, to the City's Reservoir Tank at the end of Troy Street in the City. The distribution system consists basically of the Troy Street Pump Station and adjacent Reservoir Tank and the piping network that supplies water throughout the City. Each residence or apartment unit and business concern in the City must be connected to the Water System. The City owns over 2,500 acres of land related to the Water System.

United Water is responsible for the full operation of the Water System under a contract with the MUA expiring March 31, 2018, and currently bills all of the users of the Water System. The City has estimated that economic benefits will be derived from the privatization of the operation of the Water System over the term of the contract with United Water (which ends in 2018) due to the sale of excess water to United Water, anticipated savings in costs of operations, anticipated increases in revenues from the Water System due to repairs of leaking pipes, and improvements in billing and collection. Upon expiration of the current contract with United Water, it is expected that the Authority will use its resources and personnel to operate the Water System or enter into a similar short-term private operating agreement. The Authority does not expect that, after the expiration of the operating contract with United Water, the cost to the Authority of either operating the Water System or entering into a similar short-term operating agreement will be significantly greater than the annual service fee currently paid by the MUA to United Water.

Water Rate Covenant

Under the terms of the Water System Service Contract, the Authority has covenanted to make, impose, charge and collect Water Service Charges in each fiscal year in accordance with the provisions of the Act so that Water Revenues for each fiscal year will be at least sufficient to pay (a) Water Operating Expenses in such fiscal year, (b) all interest on and principal of all Water Bonds and the City Water Bonds (as defined in the Water System Service Contract) as the same shall become due and payable without recourse to or withdrawal from the Water Bond Reserve Fund, (c) payments to the City required under the Water System Service Contract, and (d) all other amounts that are required to be paid pursuant to the Water System Service Contract. Water Revenues include any excess sewer revenues anticipated to be available for deposit in the Water Revenue Fund established by the Water System Service Contract.

PENSION FINANCING

Substantially all City employees who are eligible for pension coverage are enrolled in either a State or City administered retirement plan.

State Plans

The three State-administered plans are the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund and the Police and Firemen's Retirement System. The Public Employees' Retirement System includes all non-uniformed City employees who are not eligible for enrollment in the City's Municipal Employees' Pension Fund. The Consolidated Police and Firemen's Pension Fund includes uniformed employees who were employees before 1944, while the Police and Firemen's Retirement System enrolls all uniformed employees who began employment after 1944.

The Division of Pensions in the State Department of Treasury administers the plans and charges municipalities annually for their respective contributions. The charges are based on actuarial valuations. The City pays such charges on a monthly basis.

City Plans

All permanent City employees who are age 39 or younger when commencing employment with the City are required to enroll in the Employees' Retirement System of the City as of date of hire. All temporary employees who are age 39 or younger when commencing employment with the City are required to work one year before they are enrolled in the Employees' Retirement System of the City which is administered by a Pension Commission consisting of the Mayor, Chief Financial Officer, two elected employee representatives, and one appointed citizen member. Buck Consultants an ACS Company, serves as consulting actuary ("Actuary") for the system. In its latest report dated January 1, 2016, the Actuary reported:

GASB Statement No. 27 only requires valuation be performed every two years. The Annual Recommended Contributions payable for calendar years 2016 and 2017 are as follows:

	December 31, 2016	December 31, 2017
Normal Contribution[(1)]	$ 1,667,756	$ 1,734,467
Accrued Liability contribution	7,173,577	7,459,249
Total contribution	$ 8,841,333	$ 9,193,716

[(1)]The Normal Contribution amounts are 4.99% of estimated salaries of $33,421,968 and $34,758,847 for the 2016 and 2017 calendar years respectively. The actual normal contribution to the trust should be 4.99% of Actual salaries for each year.

Three other City pension plans are not maintained on an actuarial basis, but the City appropriates funds annually as required to provide benefit payments for the year. The plans are Employees' Non-Contributory Pension, Pensioned Employees and Payments to Widows and Dependents – Members of Police and Fire Departments.

In December 1996, the City received a bill from the Police and Firemen's Retirement System (PFRS) for approximately $18,500,000 to pay for accrued pension liability due to an early retirement incentive program established in 1994. Legislation (P.L. 2002, c.42) was enacted that permitted the City to sell refunding bonds pursuant to the Local Bond Law to retire the present value of the unfunded accrued liability to PFRS. With an approval from the Local Finance Board, the City financed said liability through the issuance of $23,595,000 Pension Obligation Refunding Bonds Series 2003A dated January 15, 2003 (Federally Taxable) and $17,456,000 Pension Obligation Refunding Bonds Series 2003B dated March 15, 2003 (Federally Taxable).

The following table shows the City's contributions to the respective pension systems for the last five years.

City Contributions to Employee Pensions

	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
State of New Jersey					
Public Employees' Retirement System	$ 2,767,829	$ 2,157,151	$ 2,483,300	$ 2,526,878	$ 2,540,841
Consolidated Police and Firemen's Pension Fund	46,592	46,544	167,303	167,303	128,541
Police and Firemen's Retirement System of New Jersey	34,790,479	33,941,159	34,982,452	33,343,616	39,372,827
City of Jersey City					
Municipal Employees' Pension Fund	7,782,323	7,500,558	8,413,998	8,090,382	7,307,923
Employees Non-Contributory Pension (R.S. 43:8 B-1)	246,020	220,800	225,000	225,000	238,000
Pensioned Employees (R.S. 43:4-1)	65,000	69,600	72,000	72,000	99,972
Payments to Widows & Dependents-Members of Police & Fire Depts.	780	720	720	720	720
TOTAL	$ 45,699,023	$ 43,936,532	$ 46,344,773	$ 44,425,899	$ 49,688,824

Source: Derived from the Calendar Year 2011-2015 Audited Financial Statements of the City

Post-Employment Benefits

The City provides eligible retirees with medical, prescription drug and life insurance benefits. Based on an assumed discount rate of 4.50%, as of June 30, 2015 the Unfunded Actuarial Accrued Liability for such post-employment benefits was $976,949,569, and the Annual Required Contribution was as follows:

Normal Cost	$35,135,265
Annual Amount Toward Unfunded Actuarial Accrued Liability	57,393,724
Annual Required Contribution	$92,528,989
Less: Actuarial Determined City Contribution (Estimated)	26,167,422
Net Increase	$66,361,567

See Note G to the audited financial statements for a more detailed discussion of the City's post-employment benefits.

INSURANCE

Insurance Fund Commission

The Jersey City Insurance Fund Commission was established in 1984 pursuant to N.J.S.A. 40A:10-1, *et seq.* The members of the Commission are the City's Business Administrator (who serves as Chairperson) and two members of the Municipal Council. All insurance upon property owned or controlled by the City or any of its departments, boards, agencies or commissions, is required to be placed and effected by the Commission. The powers of the Commission are statutory and include the power to invest the funds and all additions and accretions thereto in such securities as they shall deem best suited for the purposes of the statute; keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the City, or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus; and fix reasonable rates of premium for all insurance carried by the insurance fund, and shall effect all insurance in the insurance fund or with any insurance company or companies authorized to do business in this State.

LITIGATION

General

The City, its officers and employees are defendants in a number of lawsuits including, but not limited to, lawsuits arising out of alleged torts, alleged breaches of contract and alleged violations of civil rights. The City is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the City.

Based upon the information available to date, it does not appear that any individual lawsuit or the cumulative effect of these lawsuits will impair the City's ability to pay any judgments or settlements in an orderly manner, since the likelihood is that the amount of any judgments and eventual settlements will be much less than the amount claimed, and payments can be spread over two or more fiscal years. Because many lawsuits are still in the discovery stage, the Corporation Counsel is unable to determine the probability of a successful defense to them at this time.

The City self-insures against tort claims, which include general liability, automobile liability, employment practices, public officials and police professional and workers compensation lawsuits. The self-insured retention depends upon the date of incident and which of two excess policies provides coverage.

Pending Litigation

The following information has been compiled as of October 2016. The cases listed below have a potential monetary exposure in excess of $500,000.00.

Valerie Montone v. Jersey City Police Department et al. A complaint by a police sergeant , now retired, alleging that the chief of police did not promote her because of her political affiliation and her gender. Summary Judgment was granted to the defendants on both the State and Federal claims, however the District trial court order was reversed by the 3rd Circuit Court of Appeals and the Superior Court orders were reversed by the Appellate Division and the matter remanded for trial. The State law claims are consolidated in federal court. Although the reversal of the orders for summary judgment is a serious setback for the defendants, the City of Jersey City and the individual defendants (former Mayor Healy and former Chief of Police Troy) are prepared to defend this lawsuit on the merits. There is a significant monetary exposure for economic damages and attorney fees. Most recently, at a conference before the Federal trial judge, the plaintiff's attorney made an "informal" demand, $5,000,000.00 to settle both the State Court and Federal Court claims, inclusive of attorney fees. The Federal Court will attempt to effectuate a settlement. If that fails, the case will be listed for trial.

Astriab et al v. City of Jersey City. Companion case to Montone (above). Eight other sergeants allege that because Montone was wrongfully not promoted to Lieutenant, they could not be promoted since they were behind her on the promotion list. They claim the difference in pay and benefits between what they contend they would have received if they had been promoted and what they actually have received, including pay, benefits and pension contributions/value. These claimed damages continue to accrue as the case proceeds. Same procedural history as Montone (above). Although the Summary Judgment obtained in this case was reversed, the defendants maintain that the defenses to the plaintiffs' claims are viable and the case will be defended on its merits. Plaintiffs also claim attorney fees and back pay. If they prevail, the combined award could exceed $800,000.00.

Anderson v. Bryant and City of Jersey City. Auto accident case, in which the plaintiff suffered serious personal injuries. A bicycle operator alleges that she was struck by a private vehicle operated by a City police officer who had completed his tour of duty and was going to Municipal Court to testify. The City contends that the officer was not in the course of his employment. His personal auto liability insurance carrier settled the claim against Bryant for his personnel auto liability limit ($50,000.00). Our subsequent motion for summary judgment on behalf of the City was granted; the plaintiff appealed and the matter is now before the Appellate Decision awaiting a date for oral argument. Plaintiff claims a permanent inability to work as well as permanent disability. So far her medical expenses have been covered by PLIGA, but she may exceed the limit with future surgeries recommended by her doctors. Attorney claims exposure in excess of $1,000,000.00.

212 Marin Blvd. v. City of Jersey City (Sixth Street Embankment cases). Various lawsuits brought by several entities owning property known as the Sixth Street Embankment, alleging that the City has interfered with their development rights and violated constitutional rights. These matters have been pending for several years despite numerous attempts to achieve a settlement, the plaintiffs have been uncooperative. The City continues to defend against all of the claims. The property has an appraised value in excess of $6,000,000.00.

Felton v. City of Jersey City. A City police sergeant, assigned to work with the State Police investigating gang activity in the City, was alone in his vehicle doing surveillance when he heard the sound of a handgun being "racked". In fear for his life, he fired one shot through his car window and struck the plaintiff in the face, rendering him blind. Criminal charges arising out of this incident were brought against Mr. Felton and he was convicted in the criminal trial. Our motion for Summary Judgment dismissing the complaint was granted and the case was dismissed. Plaintiff has appealed the criminal conviction. If successful, he may move to reinstate the civil action. The potential exposure, if the defendants are found liable for wrongfully causing the plaintiff's blindness, could easily exceed $1,000,000.00.

Realty Appraisal v. City of Jersey City. Plaintiff alleges breach of contract. Discovery is proceeding. Plaintiff claims $1,000,000.00 in damages for services performed and lost profit.

Bruno v. City of Jersey City. Wrongful death and personal injury case. Third person invaded apartment of plaintiff, killed infant and injured occupant. Plaintiff alleges that the City Police Department failed to enforce restraining order or act on outstanding warrant. Discovery is proceeding. Although the City expects to prevail on the claims, the exposure is significant. Value could exceed $500,000.00.

Mays v City of Jersey City. Mays, the Deputy Tax Assessor, has brought a claim in federal court for race discrimination and retaliation for complaining about race discrimination. She also alleges she is a whistleblower under CEPA. Written discovery is completed, plaintiff has been deposed, and plaintiff's counsel has deposed eight defense witnesses. Discovery ends June 10, 2015. Defendants believe they have a strong chance of prevailing in this matter. However, if plaintiff is able to prove her claims at trial, she could obtain an award of between $200,000.00 - $300,000.00 for her "severe" emotional distress, as well as an attorneys' fees award of between $250,000.00 - $300,000.00. Punitive damages are not likely in this matter.

Anglin et al v. Jersey City Fire Dispatch. Plaintiffs are the Administrators of the Estates of four decedents who died in a house fire and five relatives who claim emotional distress damages from perceiving the death of their family members in the fire. They claim that the Fire Department was sent by the dispatcher to the wrong address thus delaying firefighting activity resulting in the deaths. The City has asserted various immunities and the plaintiffs contend that they have overcome the bar of the immunities. Discovery is in the preliminary states. Exposure for four deaths and three emotional distress plaintiffs could approach $1,000,000.00.

Highsmith et al. v. City of Jersey City. Walter Highsmith, 80 year old disabled male, died in a fire on November 5, 2012. Plaintiffs are the Administrators of the Estate. They allege that the death was a result of negligence by members of the Jersey City Fire Department. Exposure for the death and emotional distress could exceed $500,000.

Wriedan v. City of Jersey City et al. Plaintiff Daniel Wriedan has filed claims against the City and Anthony Cruz. Mr. Wriedan alleges that Defendants discriminated and harassed him on the basis of his sexual orientation. He also alleges that the City violated his first amendment rights. If Mr. Wriedan prevails, Defendants could be liable for lost wages damages, punitive damages, emotional distress damages, and plaintiff's attorney's fees in excess of $500,000.

Pych et al. v. City of Jersey City et al. On December 31, 2013, the Plaintiff's decedent drowned as a result of him losing control of his motor vehicles which became submerged in the waters of the Morris Canal. Plaintiffs allege that the accident occurred on dangerous property owned, controlled or maintained by the City. Exposure for the wrongful death and survivorship claim could exceed $500,000.

In addition to the cases listed above, the City, its officers and employees are defendants in a number of lawsuits, none of which is unusual for a city of its size. These lawsuits include but are not limited to lawsuits arising out of alleged torts by the City and its employees, alleged breaches of contract and alleged violations of civil rights.

During the calendar years 2011 through 2015, the City paid the following amounts in judgments and settlements:

Year	Amount Paid*
CY 2015	$1,181,928
CY 2014	1,460,362
CY 2013	494,286
CY 2012	324,735
CY 2011	1,248,177

*Source: Jersey City Insurance Fund Commission

Environmental Issues

There are many privately and governmentally owned parcels of real estate in the City containing various levels of environmental contaminants. With respect to privately owned real estate, the City, State and Federal health and safety officers have undertaken and continue to compel compliance by the owners with the existing regulations. The City aggressively uses its building inspectors and health officers to monitor and compel abatement of harmful environmental hazards. With respect to environmental contamination which does not pose an immediate or substantial public safety or health issue, the City is increasingly using local business incentives to stimulate previously dormant property for conversion to useful economic initiatives including the removal of environmental contaminants. The City itself monitors its own real estate and has undertaken and is currently performing building and facility improvement programs to remove all violations of Federal, State and City environmental regulations.

CITY ECONOMIC AND DEMOGRAPHIC INFORMATION

The City is New Jersey's second largest municipality with a population of 247,597 according to the United States Department of Commerce's 2010 Census. The City is located on the west side of the Hudson River, directly across from lower Manhattan in New York City, and is part of the major business and industrial concentration spanning the New York – Northern New Jersey metropolitan area.

The City's land area is 15.8 square miles, including a five mile long stretch of Hudson River waterfront that has experienced considerable high rise office tower, residential and multi-family development over the past ten years. The City is connected to New York City by the Holland Tunnel and the PATH railroad tubes and is within ten miles of Newark International Airport and the container and cargo facilities of Port Newark-Elizabeth. The City's size and current development activity cause it to dominate the economy of the County (the Jersey City Labor Area). The City also serves as the seat of the County government. Of the approximately 275,000 persons employed in the County, approximately 43% are employed in the City.

Population

The City had experienced a population decline from 1970 through 1980, however due to increased residential housing developments, the population has shown a trend toward increasing.

Population Trend (Calendar Year)

Year	City	County	State
2010	247,597	634,266	8,791,894
2000	240,055	608,975	8,414,350
1990	228,537	553,099	7,730,188
1980	223,532	556,972	7,364,823
1970	260,545	609,065	7,192,805

Source: U.S. Bureau of the Census: Censuses of Population and Housing.

School Enrollment

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2015-2016	27,794	-2.75%
2014-2015	28,562	-4.50
2013-2014	29,909	4.50
2012-2013	28,621	2.65
2011-2012	27,886	-0.50

Source: Jersey City Public Schools: www.jcboe.org

Residential Dwelling Units

Most of the housing stock in the City was constructed in the first half of the twentieth century, primarily for renter-occupied use.

Housing Characteristics

Owner Occupied	28,888
Total Units	110,140

Source: U.S. Bureau of the Census: American Community Survey 2014

Employment

Labor Force - The City of Jersey City

Year	Total Labor Force	Employed	Percent (%) Unemployed
2015	140,658	133,184	5.3%
2014	139,551	130,539	6.5%
2013	138,427	127,195	8.1
2012	139,531	127,018	9.0
2011	138,414	125,521	9.3
2010	137,012	123,544	9.8

Source: New Jersey Department of Labor, Office of Labor Planning and Analysis-2010-2015.

Overview of Jersey City

Founded in 1630 and incorporated in 1820, Jersey City once served as a shipping, manufacturing, and rail transportation hub. Home to Ellis Island, Jersey City has served as the gateway to the United States for millions of immigrants.

Today Jersey City is a vibrant and thriving city, where rail yards, factories, and warehouses have been transformed into parks, restaurants, shops, and modern skyscrapers. Seven of the ten tallest buildings in the state are found in Jersey City, with construction recently starting on what will soon be the tallest building in the State and the tallest residential building in the western hemisphere outside of New York City. Jersey City residents and visitors enjoy spectacular views of the New York City skyline with miles of Hudson River waterfront. Jersey City's robust transportation infrastructure allows for easy access to New York City using the PATH train subway system, NY Waterway Ferries, or the Holland Tunnel. An expansive above-ground light rail system that opened in April of 2000 connects Jersey City to neighboring municipalities.

The 2010 Census population of Jersey City is currently 247,597. It has been growing steadily at a rate of 3-6 % since a low of 223,532 in 1980. According to estimates based on the United States Census Bureau American Community Survey, Jersey City will be the largest city in New Jersey by the end of 2016. At the present time, Jersey City has established itself as a leader in urban development within the State of New Jersey. Jersey City is experiencing its highest level of residential construction in recorded history, with over 6,100 units currently under construction in Downtown and Journal Square alone (including 8 new towers over 15 stories), and over 18,000 more units approved to begin construction in the next few years.

Employment

From January to December of 2015 Jersey City's unemployment dropped from 6.0% to 5.3%. The significant unemployment rate decrease is due to several large firms either relocating to Jersey City or expanding current operations within existing Jersey City facilities. JPMorgan Chase, RBC, Forbes, Imperial Bag, Nautica, and Ahold are some of the largest companies relocating or expanding Jersey City operations. Jersey City has also seen an increase in construction jobs with more than 4,000 jobs recently started or planned as part of approved upcoming projects.

Source: New Jersey Department of Labor, Monthly Municipal Labor Force Estimates: 2010-2015.

Largest Private Employers in Jersey City*

Employer Name	Total Full Time and Part Time Employees
Goldman Sachs & Co. Inc.	2517
Chase Bank	2273
Pershing LLC	1483
Insurance Services Office Inc.	1294
Citigroup	1254
Broadridge Financial Solutions	876
ICAP Services North America	857
Deutsche Bank Services New Jersey Inc.	789
Barclays Capital Services Inc.	772
Lord, Abbett & Co., LLC	766
Knight Capital Americas LLC.	657
Forest Research Institute, Inc.	593
New York Daily News	571
Sysco Metro New York Inc.	521
Brown Brothers Harriman & Co.	510
Ahold Ecommerce Sales Company LLC	429
Arch Insurance Group Inc.	380
DG3 North America, Inc.	338
Thinktech, Inc.	322
Kuehne and Nagel, Inc.	302

*As reported to the State of New Jersey, October 2014. Does not include public employers, i.e. hospitals, schools, or other government agencies
Source: Jersey City Economic Development Corporation, Jersey City.

Tourism

Tourism is a growing industry for Jersey City with three new hotels (700 new hotel rooms) under construction. While Liberty State Park, Liberty National Golf Course, Ellis Island, and the Statue of Liberty attract millions of visitors each year, in 2014, Jersey City proudly hosted the Seattle Seahawks and Denver Broncos, their families, and many of their fans for the week leading up to the Super Bowl. Jersey City is also home to one of the largest 4th of July fireworks displays in the country.

Higher Education

Jersey City is home to St. Peter's University, with an enrollment of approximately 3,400 students in 2015, and New Jersey City University, with an estimated enrollment of 8,200 students, both of which offer full and part-time undergraduate studies in liberal arts, business and the natural and social sciences. In addition, St. Peter's has graduate programs in education, nursing, accounting, and business administration and New Jersey City University offers a wide variety of graduate programs. Jersey City is also the home to Hudson County Community College, which offers entry-level occupational and career certificates and associate degrees to prepare students for employment and to upgrade existing skills. The Community College has an estimated enrollment of over 10,000.

Sources: Saint Peter's University Website: www.saintpeters.edu;
New Jersey City University Website: www.njcu.edu;
Hudson County Community College Website: www.hccc.edu.

Healthcare

The Jersey City Medical Center, a voluntary not-for-profit hospital, moved to a new hospital facility in 2004 at a site on Grand Street and Jersey Avenue to replace the Medical Center complex built in the 1930s. The facility is currently operated by Liberty Health and is the region's "state designated trauma center" and the only hospital in Hudson County approved for open heart surgery. A new 5-story Medical Office Building was completed in 2010 and is fully leased, including the Cristie Kerr Women's Health Center. See "CITY INDEBTEDNESS AND DEBT LIMITS – Other City-Related Obligations" herein.

Economic Incentives

Jersey City's Urban Enterprise Zone (UEZ) is one of the top performing zones in the state. It is comprised of approximately 1/3 of the city's total land acreage. Revenue from the UEZ Program has funded many development initiatives throughout the City, such as national and international marketing campaigns, special events, preservation, city beautification projects, CCTV program, job training, tourism (www.destinationjerseycity.com), and business improvement and relocation grants. In the past, the City received approximately $16.2 million annually to be used for various programs. However, the City has not received any funds since 2009 due to State budgetary constraints.

The Jersey City Economic Development Corporation manages and maintains business and employment support systems. Some of the benefits available to Jersey City UEZ-certified businesses are listed below:

- Reduced sales tax for certified retail businesses
- Employee tax credits for each UEZ municipality resident hired
- Jersey City Employment & Training Program
- City Beautification Program
- Closed Circuit TV Neighborhood Watch Program
- Customer Service Skills Center

Additionally, the JCEDC has expanded opportunities for local small business owners to access capital, through partnerships with private and non-profit lenders. The Jersey City Fund is a $10 million dollar loan program targeting small businesses with small lending needs; the EDC also has a microloan program based on geographic location, meant to support businesses opening in the city's traditionally underserved neighborhoods.

The Hudson River Waterfront

Recently dominated by the financial services industry, as more new skyscrapers with class A office space are constructed a more diverse workforce has developed.

Since the early 1980's, more than 18 million square feet of office space, and over 18,000 new residential units, and five hotels providing nearly 1,500 rooms have been completed. Redevelopment of the waterfront and nearby neighborhoods has been brisk, accelerating with the construction and opening of the Hudson Bergen Light Rail system. Plans for the redevelopment of formerly industrial land along Jersey City's waterfront currently include as much as 30 million square feet of office space and more than 35,000 new residential units.

The number of new residences authorized by building permits city wide, from 1995 through 2007, totals over 17,000 residences while and non-residential office space authorized by building permits exceeded 7 million square feet. The Newport Neighborhood is the largest single development on the Hudson River Waterfront. Built on 300 acres of abandoned rail yards at the edge of the river, this area now is home to 4,000 residential units and 14 residential towers, a park with a man made beach overlooking the river, the Newport Centre Mall, and a variety of office buildings.

The Hackensack River Waterfront

The Hackensack River Waterfront is another powerful City resource whose value has only recently been re-discovered. The improved environmental quality of the Hackensack River and the return of water-related recreation to the river have helped to reinforce its value. The first signs of its rebirth include: the fully sold out Society Hill and Droyer's Point development, a 1,400 Dwelling unit condominium community; the establishment of Meadows Path which is a planned pedestrian walkway along the Hackensack River stretching from Bergen County to Bayonne; commitment by the County of Hudson to establish an extension to the county park system; the completion of the 9 hole Golf course within the Hackensack River Edge Redevelopment Area; implementation of the City homes at Westside Station loft style residential project within the Water Street Redevelopment Plan area; transformation of a 32-acre former federal superfund site into the "Marion Greenway" - Phase I involves the remediation and capping of the site for passive recreation and Phase II includes a 2000 foot waterfront walkway, soccer fields, jogging paths and an Environmental Center; implementation of the remediation plan and environmental clean-up of the 100 acre former Honeywell site for the creation of a mixed use new-urbanist neighborhood within the Bayfront I Redevelopment Plan Area. This development will include the creation of over 15 acres of parkland in the form of a bikeway, central greenway, new pedestrian-friendly streets and infrastructure, approximately 4,200 to 8,100 new dwelling units, 700,000 to 1 Million sq. ft. of office floor area, and 200,000 to 600,000 sq. ft. of retail space.

All this development is part of a larger plan for the Jersey City western waterfront known as the Bayside Study Area. The study establishes the ground work for the creation of new-urbanist neighborhoods and new streets to connect into the existing neighborhoods of Greenville. The Bayside Study Area anticipates the redevelopment of land both east and west of Route 440, the re-design of Route 440 through federal funding appropriated to Jersey City, the expansion of the New Jersey City University Campus as an integral part of this new neighborhood, and ultimately leading to the extension of the Hudson-Bergen Light Rail System roughly ¼ of a mile to the west in order to access the Bayfront 1/Honeywell Project and the Hackensack River.

The old Department of Public Works facility along the Hackensack River (Bayfront 1/Honeywell Project) will soon begin redevelopment into hundreds of residential units as well as retail shops and entertainment and dining options.

Journal Square

Functioning as a major regional transportation hub, Journal Square encompasses the neighborhood surrounding the Journal Square PATH station and bus terminal, which provides access to New York City, Newark, Hoboken, and Harrison via the PATH subway train system and bus service throughout the region via 7 different bus lines. The first significant construction in Journal Square in decades is nearly complete with the first of three towers in the "Journal Squared" development project. Upon completion, this development will consist of a 54 story tower, a 60 story tower, and a 70 story tower. As of February 2016, there are 5,284 dwelling units, 195,055 square feet of office and 432,787 square feet of retail space approved for development in the Journal Square area. Under construction there are currently, 1,334 dwelling units, 70,070 square feet of office and 13,267 square feet of retail space to come on line within the next eighteen months.

The Loew's Jersey Theatre, a 3,000 seat "movie palace" originally opened in 1929, is a priority restoration project for Jersey City. The facility will soon undergo an extensive multi-million dollar renovation to restore the energy, glory, and full functionality to the theatre and to the neighborhood as a whole. AEG Live, the second largest event promotion company in the world, is planned to manage programming (along with partnerships with NJCU, Mana Contemporary, and a variety of community groups) and ACE Theatrical Group, the premiere theatre restoration company in the country, is planned to manage the construction and renovation of the facility.

On the periphery of the square is the adaptive re-use of the old American Can Factory. The CANCOLoft project entails the creation of over 1,300 new loft style residential units and associated retail services. The new CANCOPark, completed in 2010, features an "orchard" of trees that is lit up at night by ground lighting, park benches, and a terraced layout. The park's perimeter is lined with bamboo shoots in raised planters. Manna Contemporary Fine Arts is truly a diamond in the rough with art exhibits almost every weekend. Several other smaller projects, like 25 Senate Place or the Kennedy Lofts at 100 Newkirk Street, continue to make this the new hip artist community in the New York Metropolitan region.

Transportation Improvements and Funding

The City received federal high priority project funding for transportation access in the amount of approximately \$26 Million and the creation of an urban boulevard along Routes 440/1&9 Truck in the amount of \$1.8 Million.

North Jersey Transportation Planning Authority, (NJTPA) Area metropolitan Planning Organization awarded Jersey City the following grants:

- FY 2008-2009 Subregional Study Program grant for Update to the Circulation Element of the Jersey City Master Plan in the amount of \$250,000;

- FY 2010 – 2011 Subregional Study Program Grant co-sponsored with Hudson County for a Study to improve transportation connections between the Cities of Hoboken and Jersey City in the amount of \$300,000;

- FY 2012-2013 Subregional Study Program grant for the Liberty State Park Circulator Cost-Benefit Analysis in the amount of \$220,000;

- FY 2012-2013 Subregional Study Program grant for the Morris Canal Greenway Plan in the amount of \$220,000; and

- FY 2012-2013 Subregional Study Program grant co-sponsored with Hudson County for The Jersey City/Journal Square/Bayonne Bus Rapid Transit Study in the amount of \$250,000.

Over \$1 million in FY 2012 Local Safety Program grants for pedestrian improvements along Summit Avenue

- FY 2017-2018 Subregional Study Program grant for pedestrian enhancement plan in the amount of \$180,000.

NJ Transit has completed the Hudson-Bergen Light Rail 440 Extension Alternatives Analysis, which identified the extension of the HBLR from its current terminus at West Side Avenue station across Route 440 to a new station at the northern boundary of the Bayfront I Redevelopment Plan area as a locally-preferred alternative.

Miscellaneous Infrastructure Improvements and Public Amenities

- The Exchange Place PATH station was renovated in 1990 at a cost of \$65,000,000. The PATH provides a 3-minute ride from Exchange Place to the World Trade Center Station. The Port Authority's \$1.3 billion project to replace PATH's entire 340 car fleet and to overhaul the PATH signal system thereby enabling a significant increase in the number of train movements while improving on-time performance and efficiency is underway, with the entire rolling stock upgraded between 2008 and 2012 and signal system enhancements still underway.

- The \$1 billion Hudson Bergen Light Rail Transit System (HBLR) launched operation on April 15, 2000. Since then ridership has steadily grown as the system expands further north and south. It now connects with Hoboken's Lackawanna Station, which is adjacent to Jersey City and is a hub for regional commuter train service. It also now connects to a new Park & Ride station on Tonnelle Avenue in North Bergen that attracts commuters from Bergen County and other North Jersey locations, and which has been highly successful. Direct service is provided between the Park & Ride and the Jersey City waterfront employment center. A new extension to 8th Street in Bayonne opened in January 2011. Hudson County and Bergen County municipalities have urged NJTransit to expand the HBLR into Bergen County, with all municipalities with current or potential HBLR infrastructure passing resolutions in favor of this plan.

- Ferry service connects the Exchange Place/Paulus Hook, Hudson Exchange, Port Liberté and Liberty Harbor North areas to lower Manhattan, and also connects Exchange Place/Paulus Hook to 39th Street in Manhattan.

- The City has completed its renovations of the Owen Grundy Pier Park at the foot of Exchange Place. This is one of several significant public spaces that exist along the Jersey City Waterfront.

- The Hudson River Waterfront Walkway is advancing toward completion along the waterfront as development of properties adjacent to the waterfront continues. It is now possible to walk from the Goldman-Sachs tower at the south eastern corner of Paulus Hook and Downtown to the Newport area and into Hoboken. The Newport Walkway now connects to Hoboken at the Hoboken Train Station and Newport Associates Development Co. has completed "Newport Green" a Waterfront park at Fourteenth Street. The development of Veterans Park will include the critical portion of the waterfront walkway at the park's edges along the Hudson River and the Morris Canal.

- New Jersey Department of Transportation is in the process of the reconstruction of the 12th and 14th Street viaducts from Route 139 to Jersey Avenue. The next phase will be the reconstruction of Route 139. NJ DOT is planning to construct a new Wittpenn Bridge over the Hackensack River and a new St. Pauls Avenue Viaduct that will link the bridge to Route 139, Tonnelle Avenue, Route 1&9 Truck, and a proposed new road parallel to Tonnelle Avenue. NJDOT is also planning to build a bridge on Jersey Avenue across the Morris Canal to allow easier travel from downtown Jersey City into Liberty State Park, Bergen Lafayette, and other parts of the city. Currently only a small foot bridge exists.

- Capital Improvement, Federal Grant, and UEZ Funding have been pooled to finance the re-surfacing and beautification of Christopher Columbus Drive. This is the main and most visible travel route from the NJ Turnpike to downtown neighborhoods and the waterfront.

- Jersey City launched the CitiBike bike-share system in September 2015. Because CitiBike is the same system used in New York City, residents can now seamlessly integrate into the broader regional bike-share network across the Hudson River. As of March 2016, only six months after the programs launch, 75,000 rides had already been taken.

Key districts and development areas within Jersey City

Hackensack River Edge Redevelopment Area. The City Council has adopted a new redevelopment plan that encompasses a number of properties on the City's western waterfront, the redevelopment of which will include the remediation of the PJP landfill. An Urban Transit Hub tax credit package of $34.6 million over ten years has been approved by the Board of the New Jersey Economic Development Authority which allowed Peapod and Ahold to utilize 344,000 square feet of the Pulaski Distribution Center, an 878,564 square foot warehouse recently completed along Route 1 & 9 by Prologis.

Claremont Industrial Center. West of Caven Point, the Claremont Industrial Center was developed on a 30-acre site by the New Jersey Economic Development Authority. Hartz Mountain Industries built and leased a 175,000 square foot warehouse for Walong Marketing, a food distributor and importer in the summer of 2002. Demand for warehouse space here dropped as the recession hit and the City responded by amending the Zoning to allow entertainment venues. In January 2011, "Pole Position Raceway" opened an 80,000 square foot facility featuring two quarter-mile tracks. The high-performing all electric karts can reach speeds of 45 miles per hour. The facility features a Tailgate Café, video and arcade games, meeting and party rooms, and an impressive display or racing memorabilia.

Liberty Industrial Park. In January 1996 construction was completed by the New York Daily News of a new 410,000 square feet printing plant. The Daily News has moved both their Brooklyn and Kearny operations to this new facility. The project represents a $180 million investment by the Daily News. Sysco Food Services of Metro New York has renovated the former Allied/Sterns building into 345,000 square feet of freezer/warehouse space. This project provides over 500 jobs. The total project cost was $25 million, $ 8 million of which was provided through the City and HUD by a Section 108 Loan.

Port Jersey/Greenville Yards. On the southernmost portion of the waterfront, the Port Jersey Corporation has developed 3,000,000 square feet for industrial distribution buildings since assuming control of the urban renewal project in 1969. The Corporation has invested $150 million to date. The Port Authority of New York and New

Jersey has constructed an imported automobile facility on its 80-acre portion of Port Jersey and on 65 acres of the Greenville Yards. Iron Mountain Information Management has leased 123,000 square feet at 100 Harbor Drive, providing more than 100 full time jobs. In addition, Summit Import Corp. and Preferred Freezer Services have recently opened warehouse facilities in Greenville Yards. Preferred Freezer is also undertaking building a second new facility freezer. Keystone Properties constructed two warehouse facilities consisting of over 500,000 square feet of available warehouse space.

Jersey Eagle Sales Co. A 100% minority owned business exclusively distributing for Anheuser-Busch in Hudson County has completed construction of a 70,000 square foot, $4.5 million chilled warehouse and distribution facility, providing nearly 100 full-time jobs.

Montgomery Industrial Center. The 32-acre industrial park adjacent to **The Beacon** was developed by the New Jersey Economic Development Authority, which also makes development bond financing available to potential tenants. The firms in the Montgomery Industrial Center have created more than 300 construction jobs and 600 permanent jobs. Rajbhog Foods, makers of Indian bread, constructed a new plant with assistance from the New Jersey Business Employment Incentive Program and the New Jersey Local Development Finance Fund, and a $50,000 relocation grant from the Jersey City Urban Enterprise Zone. Other food related services attracted to this location are Wei Chuan USA and Woolco Foods. DeBragga & Spitler relocated to 55-77 Amity Street from the Meatpacking District in Manhattan. They are leasing an existing warehouse and purchasing the adjacent vacant land for parking and eventual expansion. They certified into the UEZ Program and took advantage of Jersey City's $50,000 relocation grant.

Newport Redevelopment Area Project The Newport Center project is a 300-acre, master-planned mixed use community consisting of retail, residential, office, leisure, and entertainment facilities. In December 1982, Jersey City received approval of a $40 million Urban Development Action Grant (UDAG), the largest ever awarded in the history of that Federal program, that effectively jump started the Newport development. The first building constructed was the Newport Centre Mall. It is a premier shopping center with 130 individual stores, anchored by 4 major department stores, a multiplex movie theater, and a food court. Since that time, development has continued in earnest, extending roadways, transportation choices and other community amenities. The Newport Associates Development Co. has just completed "Newport Green", a new 5-acre playground and park connecting Washington Boulevard to the Waterfront Walkway at Fourteenth Street. It includes the first urban beach in New Jersey, a recreational field, an outdoor ping pong table, and several landscaped gardens.

"The Laguna", the most recent tower to complete construction, was fully leased within 6 months of opening in 2013. This 17-story residential tower along the Waterfront Walkway at Fourteenth Street includes 158 rental apartments and 5,500 square feet of ground-floor retail.

Over $2 billion has been invested and more than 11 million square feet has been constructed at Newport. When completed, the $10 billion investment into the Newport community will provide housing for approximately 30,000 residents in 9,000 apartments and have a 1.5 mile section of the Hudson River Waterfront Walkway., 7 million sq. ft. of prestigious office space and two million square feet of retail and shopping opportunities. The Newport Redevelopment Area has developed into another new thriving neighborhood of the city. In addition to the mall, area residents and visitors can take advantage of 14 acres of green space, educational facilities, health and wellness facilities, and even a yacht club.

Powerhouse Arts District Redevelopment Area. The Powerhouse Arts District Redevelopment Plan area includes a collection of historic warehouses that have been re-used for residential, art, and entertainment uses. The district is unique and lends itself to conversion to a funky, trendy, retail and entertainment center. This district is 2-4 blocks west of the waterfront and is anchored by the Powerhouse building, an historic structure formerly the power station for the Hudson and Manhattan Railroad. The 100-year-old castle-like building near the waterfront is owned by the City of Jersey City. The Cordish Company in conjunction with the NY/NJ Port Authority and the Jersey City Redevelopment Agency have entered into a memorandum of agreement to stabilize and rehabilitate the former powerhouse into an entertainment destination for the waterfront. The Cordish Company plans to breathe life into the deteriorating power plant just as it has successfully done in the Baltimore Inner Harbor.

Toll Brothers City Living recently completed the Provost Square development, a 3 acre site in downtown Jersey City just a block from the Grove Street PATH station. The development includes 3 high-rise towers, 38, 33, and 28 stories, totaling 927 units, 960 parking spaces, 45,000 square feet of retail, and a state of the art 24,000 square foot theater as well as 17,000 square feet of art related space. In between the buildings is a half acre public plaza.

Liberty Harbor North. This highly successful project does not look like a project at all. It is designed to be an extension of the existing neighborhoods that surround it. This project has two marinas, several miles of waterfront walkway, direct connections to Liberty State Park, ferry service to NYC, two Light Rail Stations and enjoys sweeping views of Liberty State Park, Lower Manhattan and the NY Harbor. It was designed and master planned by the Congress for New Urbanism co-founders Andres Duany and Elizabeth Plater-Zybek. Phase one is complete with 600 residential units. New retail establishments have opened, including the immensely popular Zeppelin Hall Beer Garden, Surf City Beach Bar, Tilted Kilt Pub, and Brew Shot Coffee Shop. Several mixed use projects by a number of different developers have also followed on the coattails of this project, including Gulls Cove, a 320 Condominium building, completed in 2007, "225 Grand", completed in the summer of 2010 with 348 unit rental building by Ironstate Development, Inc. and the KRE Group, and "18Park", completed in the spring of 2014 with over 400 units. The 11 story 18Park facility also includes space for the Boys and Girls Club of Hudson County.

The planning board has also approved a mixed use building that includes a full service flagship Marriott hotel and 475 residences. As many as eleven (11) other buildings are already approved for the area, including a new waterfront park, central park and civic plaza.

Harborside Financial Center. The Harborside Financial Center began with a successful warehouse conversion from a refrigerated rail warehouse to Class A office space, which was followed by the construction of new office towers. It is an office and commercial holding of Mack-Cali Realty located on the Hudson River Waterfront. The complex includes restaurants, a retail promenade, two tiered waterfront walkway with outdoor dining and additional service amenities. The Harborside Financial Center currently consists of six office buildings, an indoor and outdoor garden/plaza, and a HBLRT Station. It is all just minutes away from downtown Manhattan via PATH train or ferry. The complex also contains luxury rental apartments on the North Pier and a full service hotel on the South Pier. The Hyatt Regency Jersey City was the first full-service hotel on the Jersey City waterfront. It features 350 guest rooms, over 19,000 square feet of meeting and facility space, a 165-seat restaurant, and a 75-seat lounge and incredible views of Manhattan and the New York Harbor. The current Master Plan for Harborside envisions one more office tower for Plaza 4 and six residential towers on Plazas 6, 7, 8 & 9, new roadway extensions and a widening of the pedestrian plaza adjacent to the light rail station.

Existing Commercial/office building of Harborside are as follows:

Harborside Plaza 1	400,000 Sq. ft.	Re-Use
Harborside Plaza 2	761,200 Sq. ft.	Re-Use
Harborside Plaza 3	725,600 Sq. ft.	Re-Use
Harborside Plaza 4a	207,670 Sq. ft.	New Construction
Harborside Plaza 5	977,225 Sq. ft.	New Construction
Harborside Plaza 10	577,575 Sq. ft.	New Construction

There are approximately 13,600 employees in the existing office towers.

Hamilton Square. The Hamilton Square project accomplishes adaptive re-use of the former St. Francis Hospital complex. The old hospital formed an artificial barrier, separating Hamilton Park, a 2 acre Victorian Square, from the east side of the neighborhood. The first phase of this development is complete. The new retail includes a restaurant (GP's), an ice cream parlor that has received significant press and very positive reviews (Milk Sugar Love), wine store, pet store, and vintage department store. It brings the neighborhood together once again by re-establishing the cobblestone street leading to the park, rehabilitating some building, and replacing others. The blocks in the Hamilton Park historic district neighborhood are filled with classic row houses and lush, tree-lined streets.

Colgate. Colgate Redevelopment Area is a 24 acre, 10 block site of Jersey City waterfront south of Exchange Place. It was formerly the location of the manufacturing facility for the Colgate Palmolive Company. This area has experienced rapid growth over the past five years and is approaching its planned build-out of six million square feet of office space and close to 2,000 residential units. The first major project in the Colgate Redevelopment Area was 101 Hudson Street with 1.2 million square feet of office space in a well designed Art DECO Revival style skyscraper. Next, developed by Hartz Mountain Industries were 70 and 90 Hudson Street, two office towers on the riverfront with 358, 000 and 372,000 square feet. SJP Properties' renovation of 95 Greene Street, 280,000 square feet of office space in the former Colgate Perfume Building, has been completely leased by Merrill-Lynch. Goldman Sachs' now controls three site within the redevelopment plan area and treats this facility and the Sussex Street pier that they renovated as a public campus with ferry and helicopter access to their sister campus on the Manhattan side of the River. Goldman Sachs has completed their owner occupied office building, a 42 story, 793 feet tall tower with 1.5 million square feet of space, 1,000 underground car garage, ground floor pedestrian and retail amenities. This tower, the tallest building in the state of New Jersey, provides a unique identity and profile for the Jersey City skyline.

Tidewater Basin Redevelopment Area. The Tidewater Basin Redevelopment Area links new waterfront development with the existing Paulus Hook Historic District. The charm of this area is especially enhanced by watching cars share the path of the light rail trolley along the historic cobblestone street. The 324-unit Windsor at Liberty House was completed in September 2000. Other projects include the Pier House (106 condo units) and Hudson Point (181 rental units), two projects at the foot of Warren Street, Liberty Pointe, a 32 unit condo project just up Warren Street from those previously described, Fulton's Landing with 105 condominium units, and K. Hovnanian at Paulus Hook with 71 condominiums units are all occupied and complete. 198 Van Vorst Street, a 131 unit, 7-story residential project with 4,426 square feet of retail, is completed and occupied.

Harsimus Cove Station Redevelopment Area. Several residential projects have been completed and leased. Among the completed projects are the following condominium and rental units: Avalon Cove, Mandalay Bay on the Hudson, Portofino, Marbella, and the 'A'. These residential building encompass over 2,000 market rate units. Metro Plaza shopping center contains four retail buildings totaling 255,000 square feet. The Doubletree Hotel contains 200 rooms. The most recent project to be completed in the area is the Monaco, a residential development of 524 rental units in two 39 story towers atop a 10 story 558 space parking garage and 6,100 square feet of ground floor retail on what is was the Doubletree Hotel's parking lot. The Redevelopment Plan calls for a residential-commercial mixed-use district where certain lands are dedicated to the City of Jersey City for streets and parks. Projects recently completed include 110 First Street and Maribella phase II.

Port Liberté, Liberty National Golf Course and Country Club, and the Residences at Liberty. Redevelopment of this scenic area adjacent to Liberty State Park began in 1985 with the development of docks, jetties, and canals for luxury residential apartments and town homes, some with private boat slips at their front door. Later phases replaced new canal construction with an 18-hole professional Majors golf course and private club. Liberty National Golf Course hosted its first international PGA TOUR event, the Barclays, in August of 2009 and again in August 2013. In 2017 it will host the President's Cup. More than 1600 condominium units are completed with another 1500 planned for the Port Liberté development area.

The Residences at Liberté is the residential development associated with the golf course. Construction has begun on 60 low-rise luxury units along the waterfront walkway and adjacent to the golf club house. When completed, the Residences at Liberté will produce over 1,000 new condominium units located within three towers on the northern slope of the golf course.

Liberty State Park and Ellis Island. Over 2,000,000 persons visit Liberty State Park annually, making it the most popular of all state parks in New Jersey. It is the largest urban park in the state, at approximately 1,200 acres. It currently houses, two Marinas, a boat launch, the Liberty House (a 15,000 square foot restaurant and banquet facility), the recently expanded Liberty Science Center, the restored historic Central Railroad of New Jersey Terminal, and an award-winning Interpretive Center. Maritime Parc Restaurant & Catering opened in October 2010 with a 30,000 square foot event space.

The restoration of Ellis Island is ongoing and the result of a partnership between the National Parks Service and Save Ellis Island, Inc. The South Side of the island contains valuable historic resources such as the hospital facility, laundry and luggage building, open space and recreation area, nursing residence and other various support building, totaling 30 in all, built at the turn of the century to welcome immigrants to our land. It is the intent of the National Park Service to renovate these buildings and keep them in public use. The American Family Immigration History Center was unveiled in 2001. Given its national and international stature, the Ellis Island Institute is proposed to be a unique cultural, educational and conferencing facility that will use the power of place to create a venue for international cultural events and meetings. It will be involve reuse of the 29 existing buildings on the island and new construction of a hotel, museum and educational facilities. At completion, it will employ 275 full-time and 350 part-time workers.

Ferries to the Statue of Liberty and Ellis Island leave from Jersey City, Liberty State Park throughout the day. The park, a state and regional amenity that attracts visitors from a wide area, is frequently the site of State wide events, including concerts, festivals, and tournaments.

The Division of Planning has conducted a Liberty State Park Circulator Cost-Benefit Analysis. This study is an important first step in restoring transit service to destinations within Liberty State Park. A circulator would build on the City's public transportation network that currently serves the edge of the park. This potential service would make the park more accessible to the 40% of Jersey City households that do not have access to a vehicle..

The Beacon. This central City project is the rehabilitation of a monumental Art Deco New Deal Governmental/Hospital Complex. It consists of the adaptive re-use and renovation of ten (10) high rise structures, interior and exterior historic renovation of significant Art Deco and WP Project artifacts, including two theaters, meeting rooms, and lobby space, and new construction of a multi level garage, health spa, pool, museum, and various types of amenity space. Completion of this project, which is the largest historic restoration project in the nation, is expected to create approximately 1,200 market rate residential units. This project represents a significant private investment that is outside of the City's downtown waterfront financial center. Shuttle and full concierge services are provide to various mass transit choices throughout the city.

Grove Plaza. As recently as 2000, the Grove Plaza area was considered to be too far from the waterfront to be desirable for high end market rate units. Today, Grove Plaza is considered the heart of downtown. The newly renovated and re-designed Grove Street PATH Station Plaza has served as a festival site and farmers market adding to the vitality of the shopping destination. 2 new 60-story residential towers, 70 and 90 Columbus, will rise connected by a hotel in a 150 foot base. New residential construction is moving west along Newark Avenue, including 8 new restaurants along a pedestrian walkway has been completed.

Martin Luther King Drive. The redevelopment of Martin Luther King Drive began as a grassroots community based initiative with far-reaching support. Since the adoption of the MLK Drive Redevelopment Plan by the City Council in December 1993, the development of the MLK HUB Shopping Plaza has been accomplished. A 55,000 square feet supermarket and ancillary stores are in place. The HUB development is now under new ownership. Through a partnership of the Jersey City Redevelopment Agency, Universal Companies of Philadelphia, and Brandywine Corp., MLK Drive will be receiving approximately 205 units of work force housing to be built on City land in and around the HUB. Goldman-Sachs has sponsored a 20 unit housing development just north of the HUB Plaza and light rail station, which has been completed and sold as affordable condominiums.

The Fred W. Martin Apartments offer 39 affordable units in a 4-story building with 12,000 square feet of retail space along the Drive. Many other mixed-use and residential projects are underway along the Drive.

In 2015, The Jersey City Employment and Training Program (JCETP) relocated to the HUB, with Speaker of the House of Representatives Nancy Pelosi, New Jersey Governor Chris Christie, Senator Robert Menendez, NAACP President Cornell Brooks, Congressman Donald Payne Jr., Congressman Albio Sires, and former New Jersey Governors Brendan Byrne and Thomas Keane all attending the ribbon cutting ceremony. JCETP includes the prisoner re-entry program that provides addiction treatment, housing, and employment services as well as standard employment programs for youth, seniors, veterans, and welfare recipients. Former Governor James McGreevey is the director of the JCETP.

Monticello Avenue. The Monticello Redevelopment Plan covers Monticello Avenue between Communipaw Avenue and Montgomery Street. It encompasses 19 blocks geographically located at the center of Jersey City. The goal is to establish a historically preserved and revitalized neighborhood - a shopping district with a mix of retail, restaurant and service businesses, as well as arts-related venues and activities that reflect the diversity and strong sense of community that prevail in the area. The 12 unit "Rock Garden Plaza" and the 6 unit "120-122 Monticello Avenue" with approximately 7,000 square feet of childcare space on the ground floor, have been completed.

Canal Crossing. The proposed Canal Crossing Redevelopment Plan Area is approximately 111 acres in area and is located in the southeastern section of the City of Jersey City. It establishes a new-urbanist community with varied housing type, variable uses, a central boulevard and central park, high density around the Garfield Avenue Light Rail Station and accommodations for various types of open space and educational facilities.

Berry Lane Park. Berry Lane Park is a 17.5 acre park was recently completed on a former brownfield site in the Communipaw-Lafayette Section of Jersey City, New Jersey. Construction of the park began in 2012 and opened in the summer of 2016. The park is located between Garfield Avenue and Woodward Street near the Garfield Avenue Hudson Bergen Light Rail station. Directly south of Berry Lane Park is Canal Crossing, an adjacent brownfield site slated for a future residential development.

Berry Lane Park is the largest municipal park in Jersey City. The site includes two basketball courts, two tennis courts, a baseball field, a soccer field, a playground, a rain garden, 600 new trees, and a splash pad water park. New park features coexist with older existing structures that will be preserved or modified: for example, the large concrete silos from a former rail yard will be renovated to contain water features.

Holland Tunnel and Jersey Avenue Redevelopment Area. The expanse of land bounded by the entry/exit of the Holland Tunnel, the base of the Palisade Cliffs and neighboring the City of Hoboken, had remained unnoticed for many years. Its newly discovered attractiveness has accelerated an effort to re-connect existing streets, create more building lots and street frontages. There are current NJ Transit approvals for the creation of a new HBLRT Station at Jersey Avenue and Eighteenth Street. Residential re-development of the 10th Street corridor is almost complete; with the latest addition of the 58 condominium unit Schroeder Loft project adding to the LeFrak-developed apartments that presently line the corridor. In November 2007, The Home Depot opened a 105,121 square feet multi-level store, which employs 177 people and generating $50 million in annual sales. Other recently completed residential additions include The Cliffs, 700 Grove Street, Cast Iron Lofts, and Zephyr Lofts.

Proposed plans include the Hoboken Redevelopment Plan area and the New York Avenue Redevelopment Plan area. The 7 acre Van Leer Chocolate Factory site is slated to have up to 90-percent energy savings compared to traditional buildings through the use of geothermal and solar energy, as well as other green technologies and has been recognized in the 11th annual Governor's Environmental Excellence Awards in December 2010.

Majestic Theater and the Majestic II Projects. The adaptive re-use of the historic Majestic Theater across from City Hall including the three adjacent historic revival mixed use properties that were vacant and dilapidated, and development of a new adjoining 45 unit residential building. All of the constructed residential units have been sold or rented, and all of the highly desirable commercial spaces have been filled. Majestic II, which is a new mixed use classic mid-rise building with ground floor retail, will complete the third corner of the Montgomery Street & Grove Street intersection, connecting the eclectic buildings of the Van Vorst Historic District to the new City Hall neighborhood redevelopment. Across the street from the Majestic Projects and City Hall is an additional 99 unit 7 story building with ground floor retail space, which opened in early 2016.

New Jersey City Medical Center and Grand Jersey Redevelopment Plan Area. The Jersey City Medical Center opened its 325 bed medical facility at Grand and Jersey Avenues in 2004. This $180 million facility was financed by the FHA. Liberty Health has just completed a 5-story Medical Arts Building adjacent to the Medial Center. There are also plans to triple the capacity of the Emergency Department. New infrastructure, new streets, public garage, and new residential building are planned for this area to mirror the street grid and density of Liberty Harbor North. NJDEP has awarded Jersey City a special representative to coordinate the clean-up of the area to accelerate its redevelopment. Several projects within the area have already achieved site plan approvals and are ready to move forward. This redevelopment plan will also incorporate the re-location of the Mill Creek Sewage outfall, allow for the creation of new wetlands adjacent to Liberty State Park and replace the pedestrian bridge with a pedestrian and bicycle friendly vehicular connection from downtown Jersey City to the Park.

APPENDIX B

CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY INDEPENDENT AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS

APPENDIX C

FORMS OF BOND COUNSEL OPINIONS

APPENDIX D

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

EXHIBIT B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Jersey City, in the County of Hudson, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its $14,700,000 Special Emergency Notes, Series 2016C (Federally Taxable) (the "Taxable Notes"), its $5,897,496 Special Emergency Notes, Series 2016D (the "Special Emergency Notes") and its $5,470,194 Bond Anticipation Notes, Series 2016E (the "Bond Anticipation Notes", and together with the Special Emergency Notes, the "Tax-Exempt Notes". The Taxable Notes and the Tax-Exempt Notes are hereinafter collectively referred to as the "Notes". The Notes are being issued pursuant to ordinances and resolutions duly adopted by the Municipal Council. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("Exchange Act").

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Continuing Disclosure Information" shall mean: (i) any notice required to be filed with the MSRB pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

"Noteholder" shall mean any person who is the registered owner of any Note, including holders of beneficial interests in the Notes.

"Participating Underwriter" shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Exchange Act.

"State" shall mean the State of New Jersey.

SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on the debt service reserves reflecting financial difficulties;

4. unscheduled draws on the credit enhancements reflecting financial difficulties;

5. substitution of the credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes;

7. modifications to rights of Noteholders, if material;

8. Note calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Notes, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the

existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 3(c).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the same manner as for a Listed Event under Section 3(a), and shall include a narrative explanation of the reason for the amendment or waiver.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Noteholder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Noteholders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: ___________, 2016

CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, NEW JERSEY

By:_____________________________________
Donna Mauer, Chief Financial Officer

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.735

Agenda No. 10.F

Approved: NOV 09 2016

TITLE:

A RESOLUTION CONGRATULATING RUDDYS ANDRADE OR BEING NAMED BY THE JERSEY CITY YOUTH FOUNDATION AS THE 2016 RECIPIENT OF THE OUTSTANDING COMMUNITY INVOLVEMENT AWARD

COUNCIL AS A WHOLE Offered and Moved for Adoption the Following Resolution:

WHEREAS, Ruddys Andrade is a lifelong resident of Hudson County, NJ who holds a BA in History from Montclair State University, and has an impressive record of community service starting with his role as a youth organizer with the Alliance Civic Association; and,

WHEREAS, Ruddys Andrade, at age 22, served as Chief of Staff for Union City's Department of Public Affairs, leaving the post after one year to pursue an opportunity in New Jersey City University's Office of Grants and Sponsored Programs, dedicating the next 15 years of his life to his career there and eventually attaining the title of Director and playing a critical role in securing a number of multi-million dollar federal grant awards, contributing to the renovation of NJCU's science facilities, and participating in other University fundraising initiatives; and,

WHEREAS, Ruddys Andrade was ultimately promoted to Associate Vice President of NJCU, and as a trusted member of the senior leadership team worked on special initiatives and provided valuable input on strategic projects; and,

WHEREAS, Ruddys Andrade left NJCU in 2014 to pursue an opportunity in the private sector as Director of External Affairs for CarePoint Health, where he is responsible for strengthening existing relationships and forging new partnerships with community stakeholders and service providers; and,

WHEREAS, Ruddys Andrade is an active participant on numerous Hudson County Boards, including the Hudson County Community College Foundation Board, the United Way of Hudson County Board, the Hudson County Schools of Technology Board, and on his beloved Rotary Club of Jersey City's Board of Directors; and,

WHEREAS, Ruddys Andrade has been recognized for his accomplishments both locally and nationally, having been formally honored by The Latino Institute, the City of Jersey City, the New Jersey General Assembly and State Senate, and was named Grand Marshal of the 2016 Hudson County Dominican American parade;

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Jersey City Municipal Council hereby honor **Ruddys Andrade** for being named by the Jersey City Youth Foundation as the 2016 Recipient of the Outstanding Community Involvement Award.

APPROVED: ____________

APPROVED: ____________
Business Administrator

APPROVED AS TO LEGAL FORM
____
Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote — N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

Rolando R. Lavarro, Jr., President of Council

Robert Byrne, City Clerk

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.736

Agenda No. 10.G

Approved: NOV 09 2016

TITLE:

A RESOLUTION HONORING KRISTEN DOBBS AND CHRISTOPHER HELLINGER FOR THEIR OUTSTANDING EFFORTS TO ENLIVEN CLARKE AVENUE WITH THEIR FESTIVE HALLOWEEN DECORATIONS

WHEREAS, Kristen Dobbs & Christopher Hellinger are lifelong residents of Jersey City and have lived at their current address on Clarke Avenue since 2005; and

WHEREAS, Kristen Dobbs & Christopher Hellinger are also small business owners in Ward B having owned **G-MA's Thrift Stop,** located at 118 Mallory Avenue, since 2008; and

WHEREAS, Kristen Dobbs & Christopher Hellinger are both Halloween enthusiasts and were disappointed to learn that no one decorated their homes for Halloween along Clarke Avenue when they first moved to the block in 2005; and

WHEREAS, Kristen Dobbs & Christopher Hellinger took it upon themselves to enliven the neighborhood with a festive Halloween display that would amuse passersby and perhaps inspire others to decorate their homes as well; and

WHEREAS, their creation, dubbed **"The Horror on Clarke"** located at **58 Clarke Avenue,** features robotic skeletons and spiders as well as flashing lights and eerie sound effects; and

WHEREAS, the festive Halloween decorations **Kristen Dobbs & Christopher Hellinger** have been installing in front of of their home since 2005 has achieved the desired effect of delighting neighbors and passersby alike as well as inspire others to decorate and enliven their own properties; and

WHEREAS, the extraordinary efforts of **Kristen Dobbs & Christopher Hellinger** who decorated their home, beautified their neighborhood and inspired others to do the same, should be commended and celebrated.

NOW, THEREFORE, BE IT RESOLVED, that the Municipal Council of the City of Jersey City does hereby honor **Kristen Dobbs & Christopher Hellinger** for their outstanding efforts to beautify their neighborhood with their festive Halloween decorations.

APPROVED: ______________________

APPROVED: ______________________
Business Administrator

APPROVED AS TO LEGAL FORM

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Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

11.9.16

RECORD OF COUNCIL VOTE ON FINAL PASSAGE

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

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Rolando R. Lavarro, Jr., President of Council

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Robert Byrne, City Clerk

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.737

Agenda No. 10.H

Approved: NOV 0 9 2016

TITLE:

A RESOLUTION RECOGNIZING AND COMMENDING THE ROTARY CLUB OF JERSEY CITY ON THE 100TH ANNIVERSARY OF ITS FOUNDING

COUNCIL AS A WHOLE Offered and moved for adoption the following resolution:

WHEREAS, the **Rotary Club of Jersey City** was organized on June 28, 1916 with 19 charter members, and was recognized as the 249th Rotary Club in the world by the International Association of Rotary Clubs on August 1, 1916; and,

WHEREAS, in 1916, Jersey City boasted 300,00 residents, 500 manufacturing plants and 125 retail stores, and the founders of the **Rotary Club of Jersey City** recognized the club's potential to attract new members, and the club's first President, Thomas Sheehan planned and refined a club that would continue to grow throughout the century; and,

WHEREAS, personifying the Rotary International motto of "Service Above Self," the **Rotary Club of Jersey City** and its members have continuously supported the efforts of many Jersey City civic, community and philanthropic groups, including the Jersey City Boys and Girls Club; and

WHEREAS, the **Rotary Club of Jersey City** has always been at the forefront of innovative community programming, including organizing the Visiting Homemaker Service of Hudson County which now serves more 5,000 patients each year, and the city's "Meals on Wheels" program for elderly homebound Jersey City residents; and,

WHEREAS, the **Rotary Club of Jersey City** has always maintained a focus on serving Jersey City's youth, instituting a college scholarship program, the "Davy Jones Rotary Youth Citizenship Award" to recognize outstanding service work by Jersey City 8th Graders, and a fund at the Jersey City Medical Center to furnish the Children's Ward; and,

WHEREAS, the **Rotary Club of Jersey City** is actively involved in many Rotary International District 7490 projects such as the Gift of Life, providing for impoverished children from abroad to be flown to New York to receive life-saving heart surgery, the Rotary Youth Leadership Awards Program, and the Walter Head Foundation, underwriting scholarships by naming exemplary members Walter Head Fellows; and,

WHEREAS, in the 21st century, the **Rotary Club of Jersey City** has established partnerships with other organizations and charities to meet the needs of a modern city, with membership in the club at its greatest number in decades, and celebrating its 100th anniversary by launching the largest ever Rotary Foundation international service project, bringing distance learning equipment to rural schools in India.

NOW, THEREFORE, BE IT RESOLVED that the Members of the Jersey City Municipal Council hereby recognize and commend the Rotary Club of Jersey City on the 100th anniversary of its founding.

APPROVED: ____________________

APPROVED: ____________________
Business Administrator

APPROVED AS TO LEGAL FORM

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Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

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Rolando R. Lavarro, Jr., President of Council

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Robert Byrne, City Clerk

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.738

Agenda No. 10.I

Approved: NOV 09 2016

TITLE:

CITY OF JERSEY CITY
LET JERSEY PROSPER
CORPORATE SEAL

A RESOLUTION RECOGNIZING JOYCE DAVISON ON THE OCCASION OF HER 80TH BIRTHDAY

COUNCIL AS A WHOLE Offered and Moved for Adoption the Following Resolution:

WHEREAS, Joyce Davison was born on October 24, 1936 in St. Albans, Queens, going on to graduate as a member of the Class of 1953 from Andrew Jackson High School; and,

WHEREAS, in 1956, **Joyce Davison** earned a bachelors from the State University of New York at Cortland, then a Master of Sciences degree in Sociology from Rutgers in 1966, and finally a PhD in Educational Psychology from the University of West Indies, Kingston, Jamaica in 1989; and,

WHEREAS, a lifelong teacher, activist, and organizer, **Joyce Davison** has taught school from first grade through university, conducting workshops in non-violence in Northern Ireland, the South Bronx, the Netherlands, Chicago, Jamaica and Newark, NJ; and,

WHEREAS, Joyce Davison has maintained a life-long interest in Social Justice, starting in 6th grade standing up for a mistreated classmate, and continuing over the years with involvement in the civil rights, anti-war, and anti-death penalty movements; and,

WHEREAS, Joyce Davison is also a dedicated public servant, acting as Director of Recreation and Cultural Affairs in Newark, NJ under Mayor Ken Gibson from 1970 through 1973; and

WHEREAS, in 1995 at Grace Van Vorst Church in downtown Jersey City, **Joyce Davison** helped found Grace Community Services, feeding the hungry on Saturday and Sunday mornings, hosting an after-school program for children, and operating the Grace Senior Center for Healthy Living; and,

WHEREAS, a Jersey City resident and mother of four, **Joyce Davison** is celebrating her 80th birthday this year at Grace Van Vorst Church surrounded by her local elected representatives, fellow community activists, and most importantly the residents she's dedicated her life to serving.

NOW, THEREFORE, BE IT RESOLVED that the Members of the Jersey City Municipal Council recognize Joyce Davison for all the work she has done on behalf of the residents of the City of Jersey City, and wish her a happy and joyous 80th birthday.

APPROVED: ______________________

APPROVED: ______________________
Business Administrator

APPROVED AS TO LEGAL FORM

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Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote

N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

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Rolando R. Lavarro, Jr., President of Council

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Robert Byrne, City Clerk

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.739

Agenda No. 10.J

Approved: NOV 09 2016

TITLE:

RESOLUTION URGING THE NEW JERSEY LEGISLATURE TO ESTABLISH STATEWIDE VETERANS TREATMENT COURTS IN THE STATE OF NEW JERSEY

WHEREAS, veterans have borne the burdens of our Nation's defense, never shirking their moral duties even in the face of seemingly insurmountable challenges; and

WHEREAS, the New Jersey Legislature enacted P.L.2011, c.185, establishing a statewide task force to study the treatment of veterans diagnosed with post-traumatic stress disorder (PTSD) in judicial proceedings with a final report and recommendations, which were submitted to the Governor in May 2016; and

WHEREAS, the New Jersey Veterans PTSD Task Force held a series of hearings to identify and review the issues and concerns facing New Jersey veterans who served in the United States Armed Forces and the New Jersey National Guard who have been diagnosed with PTSD and how that diagnosis has impacted their treatment in judicial proceedings; and

WHEREAS, Veterans Treatment Courts, of which over 350 have been established in 37 other states, aim to provide veterans with substance abuse or mental health treatment as an alternative to incarceration whenever possible and appropriate; and

WHEREAS, Veterans Treatment Courts start with the premise of providing justice-involved veterans with a program and access to coordinated services to overcome the challenges they face in civilian life, often with the assistance of other Armed Forces veteran mentors; and

WHEREAS, Veterans Treatment Courts have demonstrated to be highly successful, substantially reducing recidivism rates, reuniting veterans with their families, connecting veterans to much-needed healthcare services, and reducing the financial burden to taxpayers by reducing incarceration costs; and

WHEREAS, a not-for-profit nationwide organization called Justice for Vets provides free training for court personnel in establishing Veterans Treatment Courts and the Federal Government has provided funding to existing Veterans Treatment Courts; and

WHEREAS, New Jersey is home to 412,000 veterans, of whom approximately 20% have a service-connected disability, but New Jersey lacks a statewide Veterans Treatment Court program to effectively and efficiently utilize volunteer mentors and coordinate with the U.S. Department Veterans Affairs Veterans Justice Outreach program;

Continuation of Resolution ____________ Pg. # 2

City Clerk File No. Res. 16.739

Agenda No. 10.J NOV 09 2016

TITLE:

RESOLUTION URGING THE NEW JERSEY LEGISLATURE TO ESTABLISH STATEWIDE VETERANS TREATMENT COURTS IN THE STATE OF NEW JERSEY

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Jersey City, in the County of Hudson and the State of New Jersey, as follows:

1. Our community acknowledges its own obligations to helping veterans, of all eras, regardless of branch of service
2. The City of Jersey City publicly recognizes the efforts of the New Jersey State Legislature and the New Jersey Veterans PTSD Task Force for examining such an important issue with the ultimate goal of potentially providing additional protections and/or alternative treatment options to veterans of the United States Armed Forces who provided tremendous service to our Country.
3. As gratitude for the sacrifices of our veterans to the Nation's defense, the State of New Jersey should establish a Veterans Treatment Court program that incorporates access to peer-to-peer mentors, coordinates with the U.S. Department of Veterans Affairs, and promotes treatment over incarceration.
4. The Clerk shall forward a certified copy of the within Resolution shall be forwarded to our Legislative Representatives, indicating that the City of Jersey City urges and supports the establishment of a state-wide Veterans Treatment Court System in the State of New Jersey.

APPROVED: ____________

APPROVED: ____________
Business Administrator

APPROVED AS TO LEGAL FORM

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Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

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Rolando R. Lavarro, Jr., President of Council

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Robert Byrne, City Clerk

RESOLUTION FACT SHEET – NON-CONTRACTUAL

This summary sheet is to be attached to the front of any resolution that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the resolution.

Full Title of Ordinance/Resolution

A RESOLUTION IN SUPPORT OF VETERANS TREATMENT COURTS LEGISLATION AND STATE WIDE VETERANS COURTS

Initiator

Department/Division	Mayor's Office	RRC
Name/Title	Althea Bernheim	Director
Phone/email	201-547-5436	abernheim@jcnj.org

Note: Initiator must be available by phone during agenda meeting (Wednesday prior to council meeting @ 4:00 p.m.)

Resolution Purpose

The support of legislation creating veterans courts statewide throughout New Jersey.

I certify that all the facts presented herein are accurate.

Signature of Department Director

10/31/16

Date

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 16.740

Agenda No. 10.K

Approved: NOV 09 2016

TITLE:

RESOLUTION OF THE CITY OF JERSEY CITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR A SOLAR POWER PURCHASE AGREEMENT PURSUANT TO COMPETITIVE CONTRACTING PROVISIONS OF THE LOCAL PUBLIC CONTRACTS LAW

COUNCIL AS A WHOLE OFFERED AND MOVED ADOPTION OF THE FOLLOWING RESOLUTION:

WHEREAS, the City of Jersey City (the "City") desires to install a photovoltaic system, i.e., a solar panel array (the "Project"), at 13 Linden Ave., Jersey City, NJ 07306, the Jersey City Municipal Services Complex (the "Site"); and

WHEREAS, the land, buildings and structures at the Site are owned by the City; and

WHEREAS, the City intends to procure one or more developers for the financing, design, permitting, construction, installation, operation and maintenance of the Project, to be located on designated portions of roofs, parking facilities and grounds of the Site; and

WHEREAS, as part of such procurement, the energy generated by the solar panel array will be provided to the City pursuant to a power purchase agreement ("Power Purchase Agreement" or "PPA") at the PPA price proposed by the successful proposer; and

WHEREAS, pursuant to the Department of Community Affairs, Division of Local Government Services' Local Finance Notices 2008-20 and 2009-10, the Project may be procured through competitive contracting (N.J.S.A. 40A:11-4.1 through 4.5) under the Local Public Contracts Law; and

WHEREAS, pursuant to law, specifically, N.J.S.A. 40A11-4.3a, the City must adopt a resolution authorizing the use of competitive contracting in the procurement of the Project, and the issuance of a Request For Proposals for a Developer of Photovoltaic System for the City (the RFP),

NOW, THEREFORE, Be It Resolved by the Municipal Council of the City of Jersey City that:

1. The aforesaid recitals are incorporated herein as if set forth at length;
2. The Mayor or Business Administrator is authorized to issue the RFP utilizing the competitive contracting process under the Local Public Contracts Law, and from time to time may issue addenda thereto as deemed necessary; and
3. The Director of Purchasing or their designee shall advertise the RFP in the official publication and cause the RFP to be posted to the Bid Sync website;
4. The use of competitive contracting is authorized for awarding a contract/Power Purchase Agreement for the development of a photovoltaic system for the applicable statutory term, which is as of this date, 15 years.

Continuation of Resolution ____________ Pg. # 2

City Clerk File No. Res. 16.740

Agenda No. 10.K NOV 09 2016

TITLE:

RESOLUTION OF THE CITY OF JERSEY CITY AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FOR A SOLAR POWER PURCHASE AGREEMENT PURSUANT TO COMPETITIVE CONTRACTING PROVISIONS OF THE LOCAL PUBLIC CONTRACTS LAW

5. This Resolution shall take effect immediately.

BD 10.31.16

APPROVED: ____________

APPROVED: ____________
Business Administrator

APPROVED AS TO LEGAL FORM
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Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 11.9.16

COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
GAJEWSKI	✓			YUN	✓			RIVERA	✓		
HALLANAN	✓			OSBORNE	✓			WATTERMAN	✓		
BOGGIANO	✓			COLEMAN	✓			LAVARRO, PRES	✓		

✓ Indicates Vote N.V.-Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City N.J.

Rolando R. Lavarro, Jr., President of Council

Robert Byrne, City Clerk